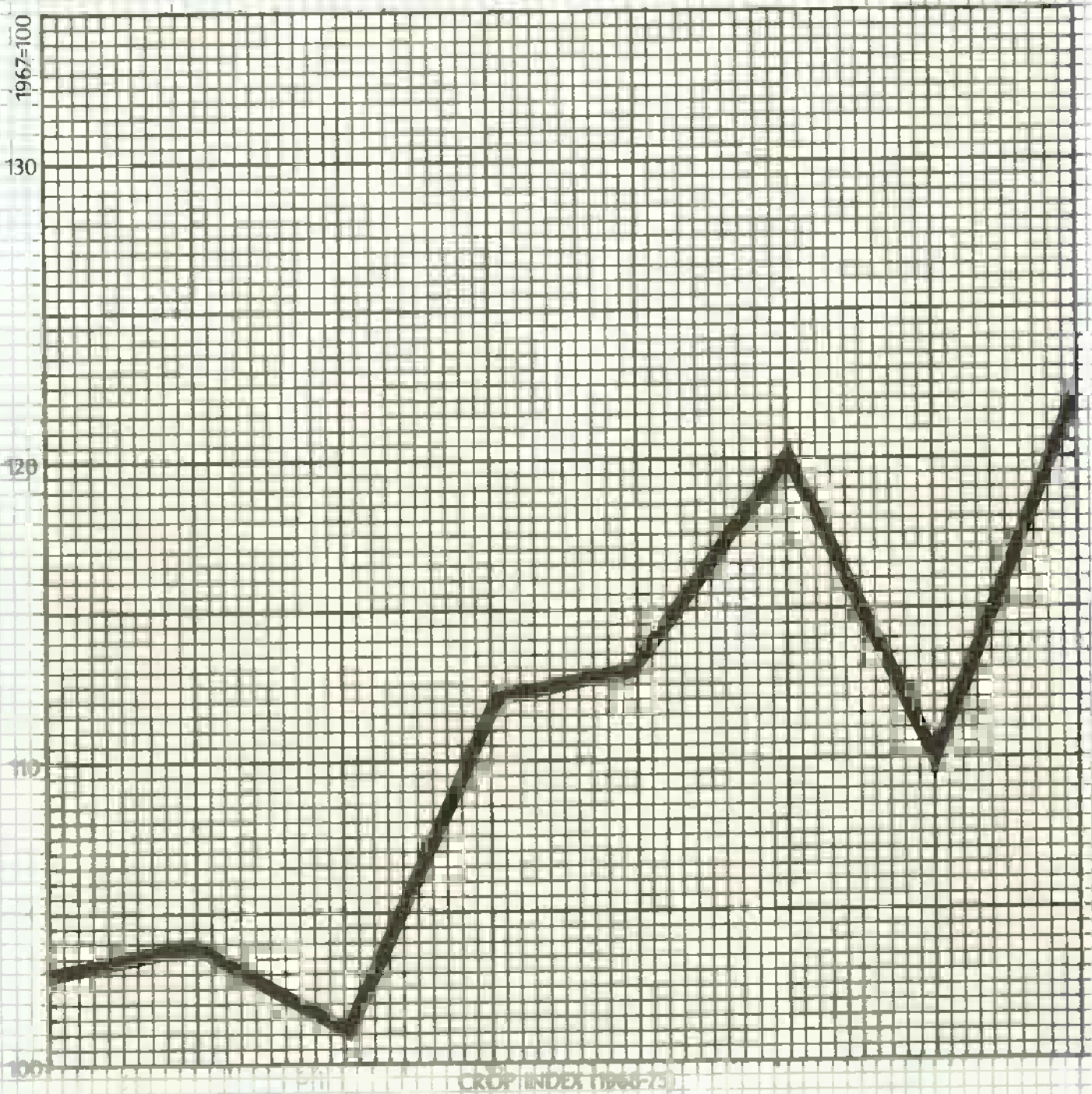


AGRICULTURAL OUTLOOK

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AGRICULTURAL OUTLOOK

AO-2
JULY 1975

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The *Agricultural Outlook* has been designed to
provide a comprehensive monthly analysis of the
factors which affect agricultural developments. The
report will carry aggregate analyses for the general
and agricultural economies and will digest and up-
date major commodity and foreign trade develop-
ments. However, an appraisal of the outlook for U.S.
agriculture requires a comprehensive evaluation of
the entire food and fiber system and the foreign and
domestic consumers of the output of the system.
Events of the past few years have led to an increasing
interdependence among the sectors within the sys-
tem. This report will attempt to highlight the major
interrelated developments in farming, input industries
and product marketing and their impact upon U.S.
agriculture and the consumer.

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AGRICULTURAL OUTLOOK

The outlook for U.S. agriculture has improved recently. On the domestic scene, consumers registered their first gain in real income since mid-1973 and the general economy appears to be picking up momentum. At the same time, foreign markets for U.S. farm products are gaining strength with the USSR making sizable purchases in July. This suggests some firming in foreign and domestic markets. With early season prospects pointing to record grain crops as well as some expansion in livestock production, the turnaround in domestic activity and improved foreign markets are welcomed developments.

The inflationary pressures that pushed input costs up sharply in the first half of 1975 apparently are easing and farmers can expect some relief from the cost-price squeeze experienced then.

Bumper grain crops are on their way this year, according to preliminary indications. Combined production of wheat, corn, and soybeans is estimated up a fourth from 1974's depressed levels and a fifth above the 1969-73 average. Growing conditions continued generally favorable through late July. However, weather will still play an important role as the season progresses since 1975 production will be virtually the complete supply for 1975/76.

These crop developments recently have been overshadowed by speculation that the USSR would be in the market again this year for large purchases of grain from the United States and Canada. As of July 25, announced purchases of U. S. grains by the Soviets included 4.2 million metric tons (154 million bushels) of wheat and 5.6 million metric tons (228 million bushels) of feed grains, mostly corn.

Market prices for grains and soybeans rose from late June through mid-July, reflecting this increase in foreign buying and fueled by the speculation about larger purchases.

Livestock prices have also risen in recent months. However, Choice steer prices slipped some from their June peak of over \$53 per 100 pounds and by late July were selling around \$50 on most markets. Some increase in fed beef production, along with expected large supplies of nonfed beef, will increase beef production in coming months. Prices of market hogs have risen almost \$20 since mid-March, topping \$55 in mid-July as pork supplies fell. The spring pig crop, smallest in 40 years, may hold second half pork production about a fifth below last year. Larger beef supplies, expected this fall will tend to limit advances in hog prices.

Milk prices are now rising seasonally and further strength will be occurring, reflecting recent increases in wholesale butter and cheese

prices. For 1975, milk production may total slightly above 1974. Broiler prices are likely to stay strong during summer. Output continues to lag year-earlier levels but a recent increase in the broiler hatch points to some improvement in the supply of broilers. Egg prices are expected to increase seasonally in coming months.

Due to drought in the Soviet Union's important spring grain areas, grain crop estimates for the USSR have been reduced to around 185 million metric tons, perhaps 30 million tons below 1975 planned production. This has led to recent USSR grain purchases from the United States and further strengthens prospects for an already expanded volume of U.S. farm product exports if abundant crops materialize.

Prices of farm production inputs rose through the first half, putting the farmer through another cost-price squeeze. The result was substantially reduced net farm income in the first half of 1975. Realized net farm income in January-June was around \$21 billion, annual rate seasonally adjusted, well below the \$27.7 billion average for 1974. However, some improvement is expected in the second half. Record crop prospects would be expected to lower crop prices, but a bright export picture and increased feed demand are strengthening factors for crop receipts.

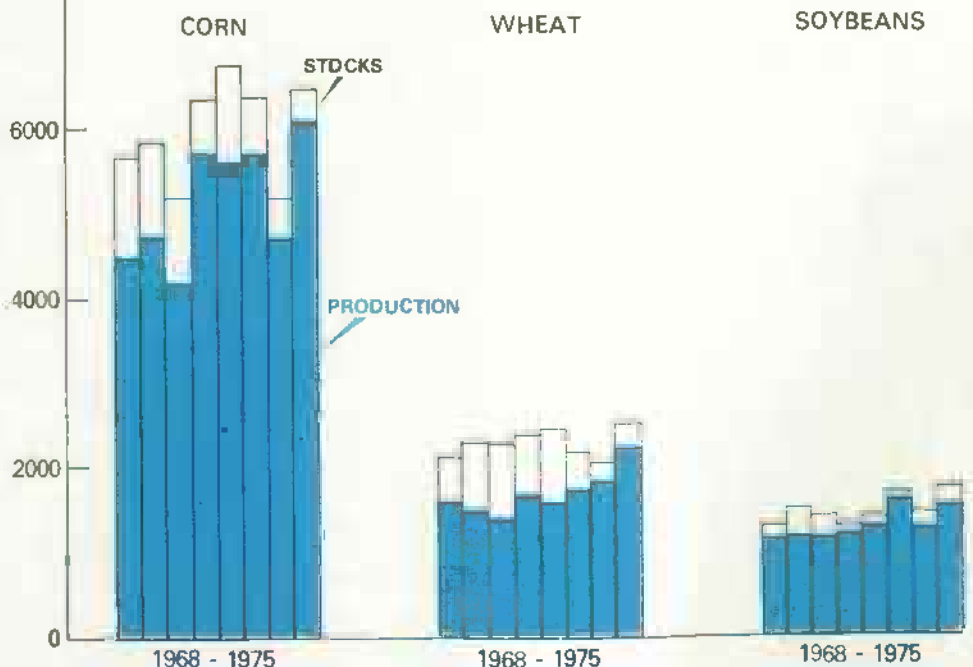
Stronger prices for livestock products will also bolster livestock receipts. Depending partly on developments in coming months, realized net income for 1975 probably will total in the low to mid-\$20 billions. Although well below the high incomes of 1973 and 1974, that would be the third highest year on record by a substantial margin.

After dropping earlier this year, retail food prices started to rise again in May. With recent boosts in farm and wholesale prices for several major food products and widening farm-to-retail price spreads, food at retail may register further increases through summer. However, if prospects continue favorable for abundant food production, food price increases at retail will continue moderate, with narrowing gains over 1974 levels.

Prospects for an early turnaround in economic activity continue to brighten. Although business capital spending plans are still headed downward, some expected gains in consumer spending and in housing investment, coupled with a slower rate of inventory liquidation, provide the ingredients for an upturn in real GNP in the second half. Industrial output rose in June for the first time since last September. While it is difficult to predict how strong the recovery will be, a gradual upturn seems most likely.

U.S. GRAIN SUPPLIES LARGER

MIL. BU.





FARM ECONOMY

The U.S. farm economy has been running through another cost-price squeeze. The situation reflects the worldwide economic downturn, a decline in demand for farm products, a generally easier supply-demand balance for farm products, and persistent inflationary pressures on the cost of production inputs. Most of the downturn in prices and incomes occurred over the past year.

Crop prices received by farmers began to strengthen in April and by June were up 4 percent from the March low. This rise followed a decline of 20 percent from high crop prices last fall, reflecting a weaker domestic demand for feed and a worldwide decline in prices of major farm commodities. The recent strengthening in crop prices accelerated from late June to mid-July as foreign buying and the reported shortfall in USSR grain crops sparked a rise in market prices for wheat, corn and soybeans.

Bumper Crops and Increased Marketings Indicated

This price strengthening came in the face of early season prospects for bumper output of grains and soybeans. This year's combined output of major grains is estimated up around a fourth from reduced 1974 output. Since the area planted to major grain crops of 258 million acres is only 2 percent above 1974, the big output will be contingent on substantially higher yields than in 1974.

If record crops materialize, the volume of crop marketings will be up sharply this year. Large crops put downward pressure on farm prices, but other factors are adding strength to the price and income situation. Prospects for larger exports, especially of grains, were strengthened by recent foreign buying and the possibility for further purchases. Moreover, the important domestic market for

feed is beginning to pick up as more cattle are placed on feed. Combined with the increased volume of crop marketings, these factors will help to maintain grower receipts from crops.

Livestock Output Smaller; Prices Strong

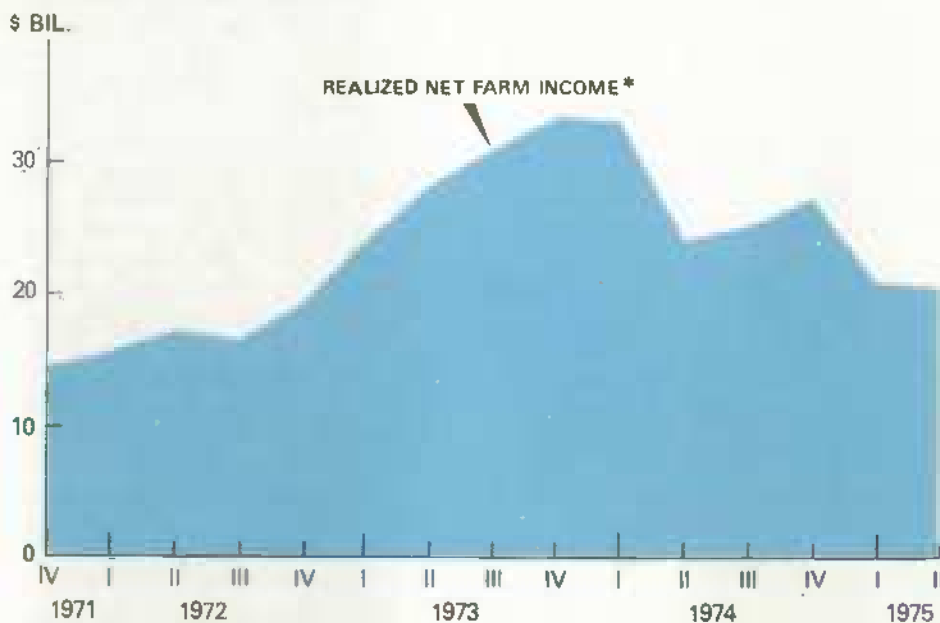
If the uptrend in placements of cattle on feed continues through August, fed cattle marketings late this year may exceed year earlier levels for the first time since early 1973. With more fed beef and large inventories of cattle, record beef supplies are indicated for 1975. But sharply reduced pork production will shade red meat supplies from

1974. Moreover, production will likely be down some for broilers, turkeys, eggs and little change from 1974 for milk. Even with some upturn in output of livestock products in coming months, livestock production and the volume of marketings for the year likely will run close to 1974. But prices have increased since last spring. In coming months strong prices for hogs, broilers, eggs, and milk as well as larger marketings of cattle will bolster livestock receipts during the remainder of the year.

Production Expenses Continue to Rise

Prices for commodities and services used

FARM INCOME RECEDES IN FIRST HALF 1975



* SEASONALLY ADJUSTED AT ANNUAL RATES

Farm Program and Policy Developments

Livestock Credit Act Extended, Liberalized: On June 16, President Ford approved an extension of the Emergency Livestock Credit Act of 1974 (PL 93-357) through the end of 1976. The law reduces the limit on outstanding loan guarantees from \$2 billion to \$1.5 billion. But it increases the maximum government guarantee from 80 to 90 percent for any loan, and raises the maximum loan from \$250,000 to \$350,000 per applicant. The new law (PL 94-35) increases the repayment period from 5 to a maximum of 10 years and broadens the eligibility requirements to include farmers and ranchers who have "substantial operations" in breeding, raising, fattening, or marketing livestock. The intent is to include operators who invest at least 25 percent of their time, income, or capital in livestock operations. A new provision requires, to the extent practicable, completion of action on loan applications

within 30 days.

Commodity Programs: The 1975 minimum national average peanut price support is \$388.50 per ton (19.42 cents per pound), up from \$366 a ton in 1974. The support price (75 percent of the June 1975 parity price) cannot be reduced but may be raised on August 1 if changes in the parity price or supply conditions deem it necessary. The Agricultural Act of 1949 provides for a support price between 75 and 90 percent of parity, depending on the percentage total supply is of normal supply on August 1, the beginning of the marketing year.

Consideration is now being given to the 1976 feed grains program provisions. The Secretary of Agriculture has asked for recommendations by August 4; an announcement on provisions for the 1976 feed grain program must be made by December 31, 1975. (Wyatte L. Harmon)

in farm production in mid-June were up 1 percent from May to a level 12 percent above a year earlier. Farm production expenses also are running higher. But the increase is small as costs of farm produced inputs ease and purchases of feed, feeder livestock, fertilizer and farm machinery run below 1974.

But rising costs with prices well below 1974 so far this year have combined to substantially reduce net farm incomes. The first half rate is estimated at around \$21 billion, down sharply from the highs of 1974. If crops develop as expected and the markets continue to strengthen, income of farmers will improve. But for the year, realized net farm income may total in the low to mid-\$20 billions, down from the revised \$27.7 billion in 1974. Although well below the record highs of the past 2 years, expected net farm income for 1975 would still be the third highest of record by a wide margin.

Routine revisions of farm income have just been completed for the years 1972 through 1974.

The results show a realized net farm income for 1972 of \$17.3 billion; an income for 1973 of \$29.5 billion; and a total last year of \$27.7 billion. The previous estimates had been \$17.5 billion for 1972; \$32.2 billion for 1973; and \$27.2 billion for 1974. (Mardy Myers)



COMMODITIES

Bumper output of most crops appears in the making, based on July 1 conditions. Planting and growing conditions so far have been generally favorable and combined production of wheat, corn and soybeans in 1975 is currently estimated up around a fourth from depressed 1974 levels and a fifth above the 1969-73 average. As of July 1, the corn

crop is estimated at a record 6.0 billion bushels, up 30 percent from 1974, while wheat output may also hit a record at 2.2 billion bushels, up a fifth from last year. Soybean output, projected between 1.4 and 1.5 billion bushels, would also be well above a year ago, although the first official USDA estimate on soybeans will not be available until August 11.

Large grain crops on the horizon are welcome news to U.S. livestock producers. Faced with high feed prices for the past 2 years, the livestock industry has been in a cost-price squeeze for some time, forcing some rapid adjustments. If the bumper crops materialize, livestock and poultry producers can be expected to increase production later this year.

However, we should not count our full bins until the crop is in. A year ago, dry weather and early frosts reduced crop output from midyear estimates. Although most crops were planted early enough this year to remove some of the threat of early frosts, weather will play an important role as the season progresses.

Grain prices rose sharply from late June to mid-July, fueled by speculation that the USSR would have to purchase substantial quantities of grain from Canada and the United States. Drought in important spring grains areas has reduced the Soviet grain crop estimate to 185 million metric tons, somewhat below 1974's output and around 30 million tons below planned production.

As of July 25, announced purchases by the Soviet Union from the United States included 4.2 million metric tons (154 million bushels) of wheat and 5.6 million metric tons (228 million bushels) of feed grains. The wheat purchases are below the 9.5 million metric tons (or 348 million bushels) the USSR bought from us in the 1972/73 marketing year. But there are major differences between 1972 and this year. U.S. wheat output in 1975 is estimated at 2.2 billion bushels, up 22 percent from 1972. We are likely to end up the current 1975/76 marketing year with carry-over wheat stocks between 500 and 625

million bushels. Current prices are well above 1972 levels, which could also dampen some demand. Although world grain stocks are still relatively tight, Canada is reported to have sold 3 million tons of wheat to the Soviet Union.

Record Corn Crop in Prospect

With the 1975 corn crop estimated at 6.05 billion bushels as of July 1, domestic use and exports will be able to expand substantially while still permitting some buildup in carryover stocks. The July 1 estimate, which was 30 percent more than the short 1974 crop and 7 percent above 1973's record 5.65 billion bushel crop, reflects conditions through that date and assumes normal weather during the rest of the growing season and during harvest. It is based on plantings of 77.5 million acres, virtually the same as in 1974, and a yield of 90.3 bushels per harvested acre. The yield estimate is up sharply from last year's 71.3 bushels, when the crop was damaged by severe drought and by early frosts, but is somewhat below the trend of other recent years. The yield was 91.2 bushels in 1973 and the record of 97.1 bushels was set in 1972.

Weather so far has favored corn growth and development, which currently is ahead of normal in the major corn growing areas except South Dakota. It therefore appears the crop will be in less danger of damage from early frost than last year.

The record large corn crop in prospect—and the anticipated lower prices—could trigger a 15 to 21 percent increase in domestic feed grain use over 1974—possibly to 4.3 to 4.5 billion bushels. Almost all of the increase would be in domestic livestock and poultry feeding as lower feed prices coupled with recent strength in slaughter animal prices would encourage expansion of feeding operations from last year's sharply reduced levels. Many producers cut way back on their feeding in 1974/75 because production costs were so high in relation to prices of their products.

U.S. Exports to USSR

Marketing Year	Corn	Wheat	Soybeans
Million bushels			
1971/72	136	---	---
1972/73	132	348	31
1973/74	129	100	1
1974/75	41 ¹	37	---
1975/76	177 ²	135 ³	---

¹ Accumulated exports plus outstanding sales.

² Undelivered sales as of July 25.

³ Exports plus outstanding sales as of July 22; excludes 29 million bushels sold for delivery in 1976/77.

If the corn crop is large, exports are expected to run above the estimated 1.1 billion in the 1974/75 marketing year. The expected strength in export demand stems from the low levels of world grain stocks, sharply reduced feed crop prospects in Argentina, and larger grain purchases by the Soviet Union than in 1974/75. Soviet feed grain purchases through July 25 totaled 5.6 million metric tons (228 million bushels).

Even with some increase in exports and a big gain in domestic feeding, the expected large corn crop would lead to a substantial increase in carryover stocks at the end of the 1975/76 marketing year, more than double the 360 million bushel estimated carryout this year.

Corn prices (farm basis) will average a record high of around \$3.00 per bushel for 1974/75. The unusual combination of excellent crop prospects for 1975 and tight supplies of old grain has resulted in relatively stable prices just short of \$2.70 during March-June. In the first 3 weeks of July, Chicago prices (which run about 25 cents above the farm price) have hovered between \$2.78 and \$3.00 strengthening recently on speculation about sales to the Soviet Union.

Oat production in 1975 is estimated at 731 million bushels, 18 percent more than last year; barley production, forecast at 395 million bushels, is up 28 percent. The July 1 crop estimates do not reflect the damage caused by late July flooding in the Red River Valley of North Dakota and Minnesota. However, malting barley, spring wheat, and sugarbeets are the major field crops in flooded areas so there should be relatively little impact on feed grain production. (George R. Rockwell, Jr.)

Soybean Prices Strengthen

Soybean and other grain prices strengthened in early July, fueled by talk that the USSR had purchased grain from Canada and the United States. While there have been no indications thus far that the USSR is in the world market for soybeans, prices for soybeans (No. 1 yellow, Chicago) moved up from \$5.00 per bushel on July 1 to \$5.60 at midmonth. Unless new demand develops, it will be difficult to sustain soybean prices at this level in view of our big supplies.

Farmers continue to hold large quantities of soybeans and likely will own a substantial share of the 235 million bushel carryover now estimated for September 1, 1975. A carryover of this size would be the second largest ever, surpassed only by the record 327 million bushels of September 1, 1969.

Soybean plantings are estimated at 54.6 million acres this year, down 2 million from spring intentions but still a million acres above 1974. Growers intend to harvest 53.6 million acres for beans, 2 percent more than last year.

If we assume a soybean yield of 26 to 28

bushels per acre, production this year would be in the area of 1.4 to 1.5 billion bushels. Adding the estimated carryover next September 1 of 235 million bushels would result in 1975/76 supplies of 1,635 to 1,735 million bushels. The first estimate of 1975 soybean production will be in the Crop Pro-

duction report to be released August 11.

Soybean use in 1975/76 is expected to recover moderately from the recession-depressed 1974/75 level of 1.17 billion bushels—possibly to 1.2 to 1.3 billion—depending upon economic recovery here and abroad. But use probably will remain below the

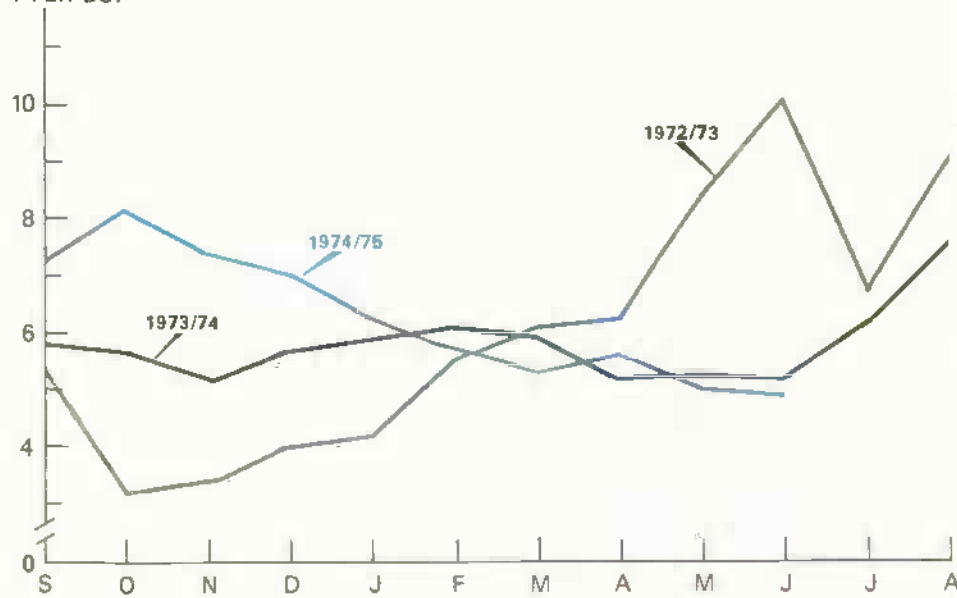
The Feed Grain Situation at a Glance

Commodity	Marketing year ¹		
	1973/74	1974/75 forecast	1975/76 projected
Feed grains:			
Million acres			
Acreage			
Set aside	9.4	---	---
Planted	121.2	122.6	122.7
Harvested	102.5	100.7	104.5
Yield per harvested acre (tons)	2.00	1.64	2.07
Million short tons			
Beginning stocks	32.4	22.2	15.4
Production	205.0	165.1	215.9
Imports	.2	.5	.5
Supply, total	237.6	187.8	231.8
Feed	153.5	117.5	135.2-145.7
Food, seed, and industrial uses	17.5	18.1	18.6
Domestic, total	171.0	135.6	153.8-164.3
Exports	44.4	36.8	46.0-38.4
Use, total	215.4	172.4	199.8-202.7
Ending stocks	22.2	15.4	32.0-29.1
Corn:			
Million acres			
Acreage			
Set aside	6.0	---	---
Planted	71.6	77.7	77.5
Harvested	61.9	65.2	66.9
Yield per harvested acre (bushels)	91.2	71.3	90.3
Million bushels			
Beginning stocks	709	483	360
Production	5,647	4,651	6,046
Imports	1	1	1
Supply, total	6,357	5,135	6,407
Feed	4,196	3,250	3,800-4,000
Food, seed, and industrial uses	435	450	465
Domestic, total	4,631	3,700	4,265-4,465
Exports	1,243	1,075	1,300-1,100
Use, total	5,874	4,775	5,565
Ending stocks	483	360	842

¹ Marketing year beginning October 1 for corn and sorghum, July 1 for barley and oats.

SOYBEAN PRICES DECLINE COUNTER TO SEASONAL TREND*

\$ PER BU.



* AVERAGE PRICES RECEIVED BY FARMERS

1973/74 record of 1.44 billion bushels.

Turning to the current marketing year, soybean crushings so far are running 5 percent below 1973/74. For the entire 1974/75 season, crushings may total around 690 million bushels, compared with the record 821 million in 1973/74. This represents a crushing rate of about two-thirds of total capacity, the lowest in over 20 years. Soybean crush is lower this year, the result of poor demand for soybean oil and meal and unfavorable processing margins.

Soybean exports this season are down a fourth from the record volume of last year, reflecting reduced use of soybean oil and meal and keener competition from increasing supplies of foreign commodities. For the entire season, they are expected to total about 400 million bushels, down from the record 539 million in 1973/74. This would be the lowest level of the past 6 years. (George W. Kromer)

Wheat Production Up Sharply

It now appears that the 1975 wheat crop may total a record shattering 2.2 billion bushels, 22 percent above last year's record high. The harvest of the large winter crop is in full swing with a minimum of problems. Yields in most areas were close to what was expected. About the only problem in sight is in the Red River Valley areas of North Dakota and Minnesota. Torrential rains at the end of June caused severe flooding in the southern part of the Red River Valley. Counties affected by flooding account for about 22 percent of the spring wheat acreage in North Dakota and Minnesota, although the flooding varies considerably among the counties. This may increase the amount of acreage abandoned but could have an offsetting affect on yields by providing needed moisture elsewhere.

Typically the reports on record crop

prospects and a potential buildup in stocks would tend to weaken wheat prices. But the optimistic report on crop prospects was accompanied by foreign purchases and considerable speculation about further purchases by the USSR which strengthened prices in July. Deterioration in the USSR wheat crop could bring them into the world market for substantial quantities of wheat and feed grains. From the early July level of slightly over \$3.00 a bushel at Kansas City, prices jumped to almost \$3.80 a bushel, over 20 percent, in just about a week. Price movements in coming months will hinge on the size of the wheat and corn crops and on the progress of export sales.

Rye continues to decline in importance. Last fall farmers seeded 3.2 million acres, slightly less than the 1974 plantings and the smallest seeded acreage since 1952. Acreage harvested for grain is expected to total 800,000, down 11 percent from a year ago and the lowest on record. Yields are expected to improve from last year's poor level, but not enough to offset the smaller acreage. Consequently, the 1975 harvest, forecast at 18.8 million bushels, is down 2 percent from a year ago and the smallest since 1949. (Frank R. Gomme)

Hog Prices to Stay Up

Pork supplies will continue small and prices remain high well into next year, on the basis of the June 1 inventory of hogs and pigs which showed numbers off 19 percent from last year. Breeding stock numbers were down 17 percent and the market hog inventory reflects the smallest December-May pig crop in 40 years, down 22 percent from the same months of 1974.

The bulk of second half pork supplies will come from the first half pig crop, indicating production could be down about a fifth from 1974. Based on the distribution of June 1 market hogs on farms by weight group, production during the October-December quarter will be even smaller than previous expectations and increase little, if any, from the third quarter.

Barrows and gilts at seven markets averaged \$46.11 per 100 pounds during April-June, rising from under \$40 early in the quarter to nearly \$57 in late June and early July. Market hog prices may slip below the July level during August and September but third quarter prices will likely still average the highest on record. Seasonally increasing demand for pork products this fall, coupled with the small supply, could keep hog prices up near the \$50 mark through yearend. More beef expected this fall, however, may tend to limit further price advances in the hog market.

Recent sharp rises in hog prices have apparently not prompted pork producers to raise more hogs. Hog farmers on June 1 planned to reduce the June-November pig crop 12 percent. Although the reduction expected for the second half 1975 pig crop

Wheat Acreage and Production

	Planted		Harvested		Production	
	1973/74	1974/75	1973/74	1974/75	1973/74	1974/75
	Million acres				Million bushels	
Winter	52.4	55.8	47.1	50.9	1,391.3	1,636.5
Durum	4.1	4.6	4.0	4.5	79.2	133.1
Other spring	14.7	14.0	14.4	13.6	322.8	417.9
Total	71.2	74.4	65.5	69.0	1,793.3	2,187.5

is not as large as in the first half, the fall pig crop could still be the smallest since 1954. If these intentions are carried out, pork production will continue to run lower through the first half of 1976, keeping hog prices up. (George Hoffman)

More Fed Beef Ahead

Cattle feeding activity may have already hit its lowest level this year and fed beef supplies are expected to rise from the unusually low spring production. Movement of feeder cattle into feedlots increased 17 percent during April-June, the first quarterly increase since January-March 1973. Second quarter placements exceeded marketings, resulting in an unusual small buildup of cattle on feed inventories between April 1 and July 1. Although cattle on feed inventories on July 1 were the smallest for that date since 1967, they were only down 15 percent from a year ago, compared with the 31 percent reduction on April 1.

Cattle feeders on July 1 indicated plans to market about 5.2 million fed cattle during July-September. Although this would still be 5 percent below last year, it represents a 4 percent increase from the small second quarter level. If placements continue to rise through July and August as expected, fed cattle marketings in the fourth quarter could show a further increase from summer and finally exceed year-earlier levels for the first time since early 1973.

Choice steer prices have slipped some from June peaks of over \$53 per 100 pounds, but in mid-July were selling at around \$50 on most markets. Further weakness is likely in the months ahead as fed beef output picks up and nonfed slaughter grows seasonally.

Unless dry conditions develop later this summer, forcing accelerated nonfed slaughter, fed cattle prices could average in the low to mid-\$40's this fall. (George Hoffman)

Milk Production Could Gain in Second Half

Bumper feed crops now on the horizon could lead to moderating dairy ration costs and increased feeding rates—thus sparking more normal gains in milk output per cow and larger milk production later on this year. For all of 1975, milk output likely will show some increase over 1974's 115.4 billion pounds—perhaps in the vicinity of 116 billion pounds.

June milk production ran below year-earlier levels for the second successive month—being down 1 percent. Milk cow numbers still were declining by less than 1 percent, but milk output per cow dipped below a year ago. Although registering relatively small increases during the past year, this was the first drop in production per cow since the fall of 1973. Even though pastures were good to excellent in most areas of the country, dairy farmers in early July were still feeding 5 percent less grain and concentrates than a year earlier.

Lower slaughter cow prices, together with large numbers of herd replacements and limited economic alternatives for dairy farmers, may cause a continued slow decline in milk cow numbers through the rest of 1975.

Wholesale prices of butter and American cheese have strengthened materially in recent weeks. Although most of the gains have already occurred, some further rises may be on the way. After holding at support purchase levels since last December, butter prices have risen around 9 cents since mid-June, reaching over 77 cents per pound at Chicago by

mid-July. American cheese prices increased another 3½ cents per pound in mid-July, bringing Wisconsin assembly point prices to about 86 cents, some 6½ cents above the support purchase price. Nonfat dry milk remains near CCC's 60.6 cents per pound support purchase price, right where it's been since June of last year.

Falling production, continued strong sales and only moderate seasonal stocks triggered the butter price rise. American cheese sales have rebounded while midyear production was down about 8 percent from a year ago, leading to the increase in cheese prices. The nonfat dry milk market continues weak with sales way off and supplies heavy.

Following gains at the wholesale level, consumers likely will pay more for butter and cheese in coming months. However, only moderate seasonal rises are likely for retail dairy prices overall during the rest of this year. Farm milk prices moved above year-earlier levels in June for the first time since September last year. At \$7.94 per 100 pounds, farmers received 27 cents more for their milk than in June of 1974. Farm milk prices will be rising seasonally during the rest of 1975 and remain above year-earlier levels. Recent wholesale price boosts should provide some further push on manufacturing milk prices.

Sales of milk and dairy products have strengthened this spring. Fluid sales are up about 3 percent from a year ago in major urban markets. Cheese sales have bounced back and butter use continues strong, although some slackening appears to be developing. Sales of most dried milk products continue down.

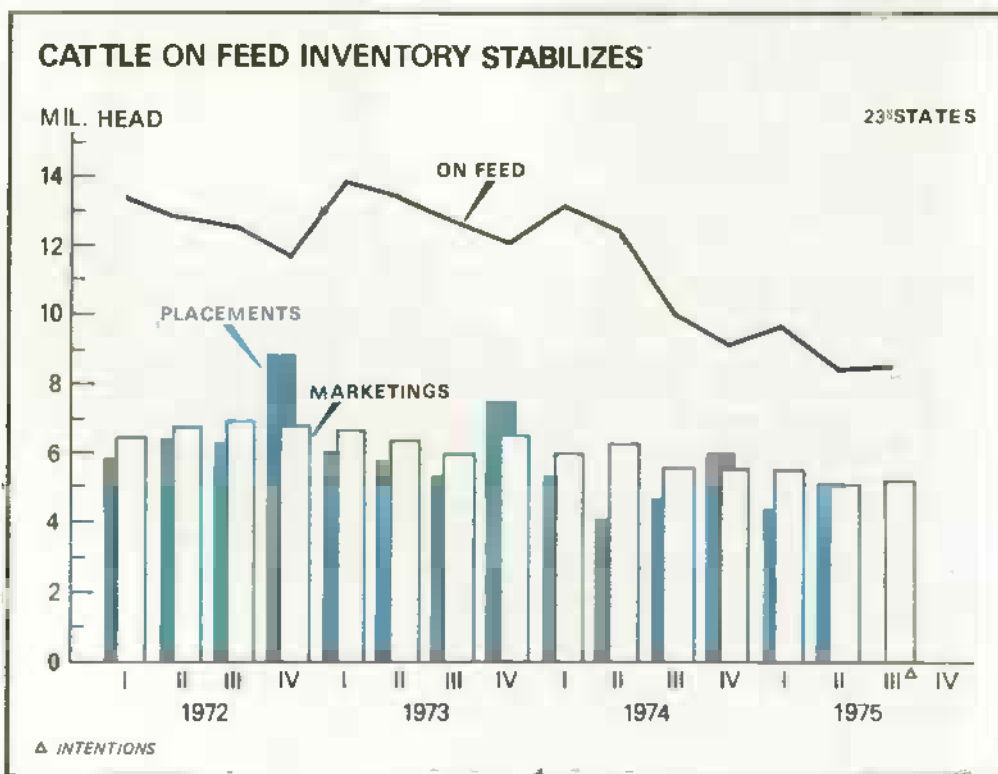
USDA continues to remove sizable quantities of nonfat dry milk from the commercial market, although butter and cheese purchases had stopped by early July. Nonfat dry milk stocks are still building with CCC uncommitted inventories reaching 461 million pounds in mid-July, largest since 1963.

Exports of nonfat dry milk are up this year, due mainly to donations under the Food for Peace Program, and substantial amounts are available for programming under foreign aid programs during the second half. Dairy imports have been down so far this year. (Robert R. Miller)

Strong Broiler Prices Encourage Production Expansion

Relatively high broiler prices and easing grain prices in recent weeks are encouraging the first stepup in hatchery activity over year-earlier levels since April a year ago. Egg sets for the 4 weeks ending July 12 were 6 percent above the comparable weeks of 1974. These egg sets will provide broilers for marketing in late August and early September.

Broiler prices advanced sharply during June as demand increased seasonally and prices for cattle and hogs jumped. Prices for



broilers are expected to continue strong during summer as output continues to lag year-earlier levels. If the expected larger summer beef supplies materialize, broiler prices will ease from their current high levels but remain well above 1974.

Wholesale broiler prices in nine cities averaged about 48 cents a pound for June, up 5 cents from May and 14 cents above June 1974. Prices continued to gain and averaged 54 cents a pound for the first week of July, the highest weekly price since August 1973.

Output of broiler meat in federally inspected slaughter plants during May was up slightly from April but was 7 percent below May 1974. Weekly slaughter reports indicate that output in June gained slightly but was still moderately below a year earlier. Broiler chick placements for marketing during July and early August were about 4 percent below 1974.

Turkey prices strengthened during June and will continue strong this summer as supplies remain well below a year earlier. Prices will also be bolstered by higher prices for other meats. Wholesale prices for 8-16 pound young hen turkeys in New York averaged 53 cents a pound for June, up about 2 cents from May and 17 cents above June 1974. Turkey prices may strengthen further and average around the mid-50 cents a pound level during the summer. Weakness in other meat prices would dampen further price rises for turkeys.

Output of turkey meat will increase seasonally in coming months but remain below 1974 levels through the summer. Turkey poult placements for July-September marketings were down nearly 15 percent from the same months of 1974. However, increasing turkey prices and easing feed prices have resulted in increased hatchery activity relative to a year ago. During June there were 3 percent more poult hatched and turkey eggs in incubators on July 1 were 4 percent above July 1, 1974. This indicates that turkey meat output in late 1975 will exceed a year earlier when output fell sharply. (William E. Cathcart)

Egg Output Lower

Egg production will continue to lag year-earlier levels in coming months as both layer numbers and rate of lay are down. While layer numbers may gradually gain on 1974 levels as producers continue to cull fewer old layers, the increased number of old layers in the flocks may hold the rate of lay below year-earlier levels. Last summer the laying flocks contained a high percentage of young, more productive birds.

Layer numbers declined seasonally in June but the drop from year-earlier levels narrowed, while the rate of lay remained near 1974 levels.

Reduced egg supplies and higher prices of most other high protein foods, along with the usual pickup in demand for eggs, will cause egg prices to strengthen in coming months. However, a continued slow demand for egg products likely will prevent shell

U.S. Noncitrus Fruit Output

Crop	Utilized		Indicated
	1973	1974	1975
	Thousand tons		
Apples	3,112	3,221	3,641
Apricots	158	94	138
Cherries, sweet	154	144	149
Cherries, tart	87	132	155
Grapes, California	3,887	3,789	4,225
Nectarines	86	114	100
Peaches ¹	1,302	1,441	1,483
Pears	724	736	751
Plums, California	97	143	115
Strawberries	239	267	271
Total	9,846	10,081	11,028
Prunes, California ²	205	192	145

¹ Includes Clingstone culls and cannery diversions. ² Dried basis.

egg prices from showing any sharp gains.

Egg prices continue to fluctuate as they have much of this year. New York wholesale prices for grade A large eggs advanced to 52 cents a dozen in late June but dropped 3 cents in early July. New York large egg prices were 49 cents a dozen in mid-July, 2 cents above the previous month and 4 cents a dozen above a year ago. (Gerald R. Rector)

Large Supplies of Noncitrus Fruit in Prospect

Production prospects for most noncitrus fruit continue favorable with two major items, apples and California grapes, seemingly slated to reach all-time highs. As of July 1, noncitrus fruit production was estimated 9 percent above last season's utilized levels and 12 percent above 1973.

The initial forecast of this year's total U.S. commercial apple production puts the crop at a record 3.6 million tons, up from the previous high of 3.4 million in 1969. This harvest would be 13 percent more than utilized last year and 17 percent above 1973. Increases from last year are anticipated in all regions.

With the season expected to start later than normal, f.o.b. apple prices may open higher than last year's level. However, prices are expected to decline to levels moderately below a year ago because of the record crop in prospect. In addition, processor demand for apples is not expected to be strong in view of the sharply larger stocks of canned apples and applesauce.

California's grape crop is expected to hit a record 4.2 million tons this year, 12 percent above 1974 and 6 percent above the previous high set in 1965. The record output is due to

increased acreage of wine variety grapes which is more than offsetting an expected decline in yield per acre. Table varieties in California, at 575,000 tons, will be down 7 percent from last year, but anticipated increases of 15 percent for both wine and raisin varieties are offsetting. Estimates of total U.S. grape production will be available August 11.

Fresh grape shipments from California's Coachella Valley started in mid-June, about 2 to 3 weeks later than normal, with f.o.b. prices running generally higher than a year ago.

Although the crop size of raisin variety grapes, mostly Thompson seedless, is important, the new raisin pack will also depend in large part on quantities of grapes purchased by wineries, and to some extent on the quantities of raw product sold for fresh table use. With sizable inventories of wine and prospects for a large output of wine variety grapes, fewer Thompson seedless grapes are likely to be used by wineries. Combined with a big carryover, potential supplies of raisins are likely to be large during the 1975/76 marketing season. (Andrew A. Duymovic and Ben W. Huang)

Summer Acreage of Fresh Market Vegetables Off Slightly

A 1 percent cut in prospective acreage coupled with the recent trend of lower average yields suggests a 3 percent smaller output of fresh market vegetables this summer. Compared with a year ago, fresh vegetable prices are expected to hold much higher at the farm level and moderately higher at retail. The sharp price rise in June resulted from temporarily high onion and tomato prices. However, vegetable

prices paid to growers are expected to show a slight to moderate seasonal decline in the third quarter, with retail prices declining only slightly this summer.

Acreage of summer onions for storage, not included in the above comparison, is off 1 percent from last year. The presently high grower and retail prices are expected to move lower during August when supplies become seasonally larger.

Melon acreage is moderately larger this year but substantially less than other years of the 1970's. Potential production, based on the average yields of the last 3 years, would result in supplies only slightly larger than last year's reduced output.

Summer potato production of 21.8 million cwt. is 13 percent less than the 1974 harvest. This reduced crop is the basic reason behind the current high prices. They are expected to remain strong into September, when the important fall harvest begins. Both acreage and yields are off this summer. Growers planted less acreage in response to the low prices which prevailed at planting time.

More Processed Vegetables Expected This Fall

With average yields and a substantially larger carryin, the combined supply of canned and frozen vegetables could be moderately larger than either of the previous 2 seasons. Taking canned vegetables by themselves, most of the gain in supply will come from pickles, beets, tomatoes, and tomato juice. The picture is not expected to change greatly for other important canned items. The supply situation for concentrated tomato products—catsup, paste, and sauce—is less clear but near-normal yields in California could result in ample supplies of these items this coming season. Although the acreage for the five important freezing vegetables is off this year, larger prospective carryovers imply that supplies of all frozen vegetables combined will be very close to what was available last season. (Charles W. Porter)

Cotton Prices Strengthen

Cotton prices are increasing, reflecting improved demand and continued uncertainty over 1975 production prospects. As of mid-July, the spot market price of base grade SLM 1-1/16 inch cotton averaged about 45 cents per pound, up 3 cents from a month earlier and nearly a dime above the low recorded last January. Farm prices have also gained during recent months. Upland cotton brought an average of 37 cents per pound in June, compared with 32 cents in April.

The impact of these higher prices is now being felt by U.S. textile mills. On a raw fiber equivalent basis, mill delivered prices of Middling 1-1/16 inch cotton are nearly 60 cents per pound, up from 49 cents in January. In comparison, prices for competitive rayon staple and polyester staple are

about 52 cents and 47 cents, respectively, somewhat below early 1975 levels. However, current indications point to higher manmade fiber prices in coming months. One large producer has announced a 5 cent hike in polyester prices for September. Furthermore, the growing possibility of higher oil and petrochemical prices this fall probably means even higher manmade fiber prices. So by the end of 1975, U.S. mills may be paying as much for manmade fiber as for cotton.

Although retail textile sales remain rather sluggish, cotton consumption has gradually increased each month since dropping to a recession-induced low last December. With inventories of most textile products now in better balance with current demand, further recovery in cotton mill use is likely this summer and fall as fiber demand responds to an expected slowdown in the inflation rate and a rise in disposable income. But don't look for spectacular increases in mill activity during the next few months, as retailers and manufacturers keep close tabs on their sales-inventory positions to prevent a repeat of recent imbalances.

As the 1974/75 marketing year draws to a close, it appears that the quantity of cotton consumed by U.S. mills will total very close to our projected 5.8 million bales. This is down from 7½ million bales used in 1973/74 and the smallest since 1937. Fortunately, next season looks better. With further recovery in general economic and textile activity anticipated, we expect mill use to increase to 6.2-6.7 million bales, still below the 1973/74 level, but considerably above 1974/75.

The 1975/76 export outlook for U.S. cotton is mixed. On the positive side,

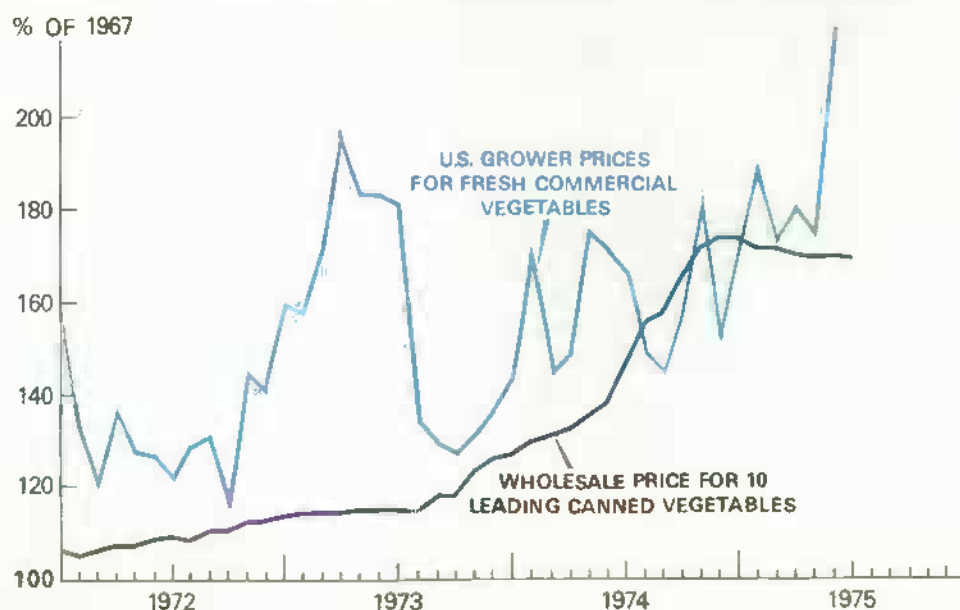
foreign consumption is expected to recover from currently depressed levels, although the increase is expected to be moderate in many of the non-communist countries to which we export cotton. Also, foreign production may be down some 2 to 3 million bales, reflecting lower cotton prices earlier this year. On the negative side, stocks outside the United States are now placed at about 24 million bales, more than a 5-month supply. This record foreign inventory implies severe competition for U.S. cotton exports. On balance, U.S. shipments may remain near 1974/75's estimated 3.9 million bales, possibly ranging between 3.8 and 4.3 million.

Increased total cotton use to 10 to 11 million bales envisioned for next season will be coupled with the probability of smaller cotton production. However, the relatively large carryover this August 1 of nearly 6 million bales will sufficiently cover domestic and export needs until the 1975 crop is harvested.

Lower cotton prices in relation to competing crops have resulted in a dramatic downward shift in 1975 cotton acreage. However, a slight reversal in these competitive price relationships during recent months prompted U.S. cotton producers to plant nearly 3 percent more acreage than they indicated in March. Despite adverse planting conditions in many areas of the Cotton Belt, growers have seeded 10.2 million acres, ¼ million above March intentions, but still 3¼ million below 1974 plantings.

The fact that approximately one-half of 1975 planted acreage is in Texas and Oklahoma is causing some concern now in view of this region's traditionally low yields and

PRICES FOR FRESH VEGETABLES SHOOT UP TEMPORARILY



INDEX DEVELOPED BY ERS FOR SNAP BEANS, CORN, PEAS, TOMATOES, TOMATO JUICE, TOMATO CATSUP, BEETS, CARROTS, SAUERKRAUT, AND SPINACH.

relatively high abandonment of planted acreage. This situation, along with a very wet spring and summer in the Delta, could hurt U.S. production prospects. Assuming abandonment across the Cotton Belt averages a normal 6 to 7 percent and yields average around a bale per harvested acre, U.S. cotton production would total 9 to 10 million bales, compared with 11½ million last year. (Russell G. Barlowe)

Flue-Cured Tobacco Production Up, Early Demand Slack

The first week of sales, which began July 8, saw slightly higher prices for flue-cured tobacco (used primarily in cigarettes) than a year earlier but rather slack demand. Prices for gross sales averaged \$84.96 per 100 pounds, up 84 cents from the year before. However, demand was slack for priming grades which constituted most of the early offerings. Nearly 46 percent of the first week's marketings went under loan, compared with 14 percent a year ago. Loan rates by grade for the 1975 crop were set to reflect an average support price of 93.2 cents per pound, up from 83.3 cents last season. With the higher support price in 1975, market prices are expected to improve as the season progresses and more quality tobacco is marketed. Such was the case last year.

Beginning tobacco stocks as of July 1 were about the same as last year's record low. However, this year's crop is estimated at 1.4 billion pounds, 12 percent above 1974. The larger crop will provide the first increase in total supply in a decade. (Richard Hall)

Sugar Prices Not Likely To Show Much Gain

U.S. raw sugar prices (New York spot) have increased recently. Trade sources indicate that 1.5 to 2.5 million tons of sugar are physically available for sale in the world. Any significant increase in U.S. raw sugar prices this summer would likely result in some of this available sugar being sold.

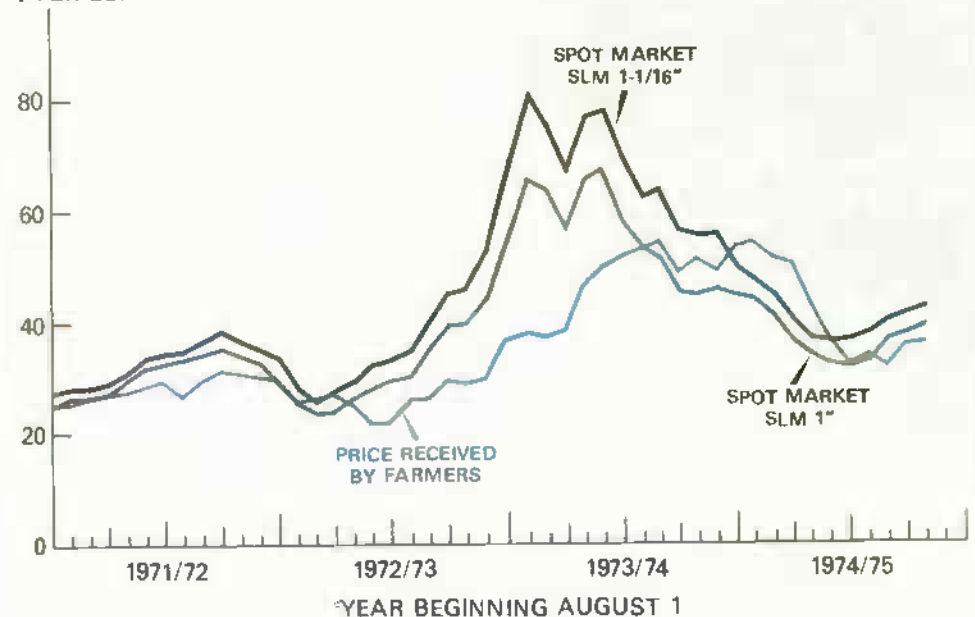
Retail sugar prices are expected to decline further reflecting recent lower raw sugar prices. Prices of sugar-containing products, however, will probably not decline much as manufacturers strive to maintain margins.

Sugar deliveries are expected to be around 10 million short tons (raw value) this year, down sharply from 11 million tons in 1974. Per capita refined sugar consumption will likely fall below 90 pounds, compared with 97 pounds last year.

Grower prices from this fall's sugar crops are expected to decline substantially from high 1974/75 levels, reflecting current lower raw sugar prices. Sugar prices likely will not increase much because of the prospective 4 to 6 million ton gain in the world crop, ready for harvest beginning this fall.

COTTON PRICES REBOUND

¢ PER LB. *



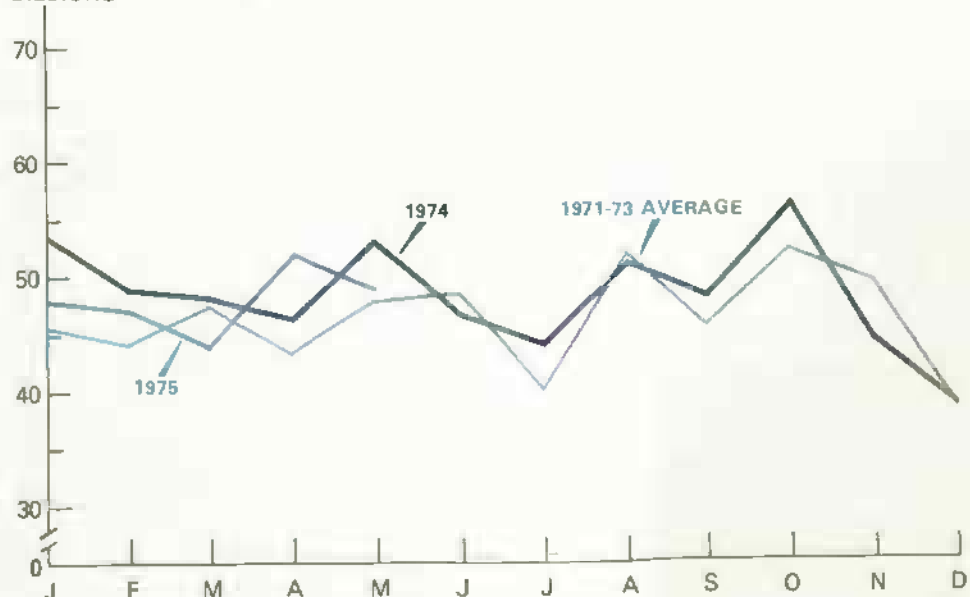
* NET WEIGHT, MID-MONTH

Domestic production of both beet and cane sugar is expected to increase significantly this year. For the current calendar year, domestic production will probably total around 6.3 million tons (raw value), up about 600,000 tons from 1974, but near the levels of the previous 2 years. Imports will likely total less than 4 million tons this year, down sharply from 5.8 million tons in calendar

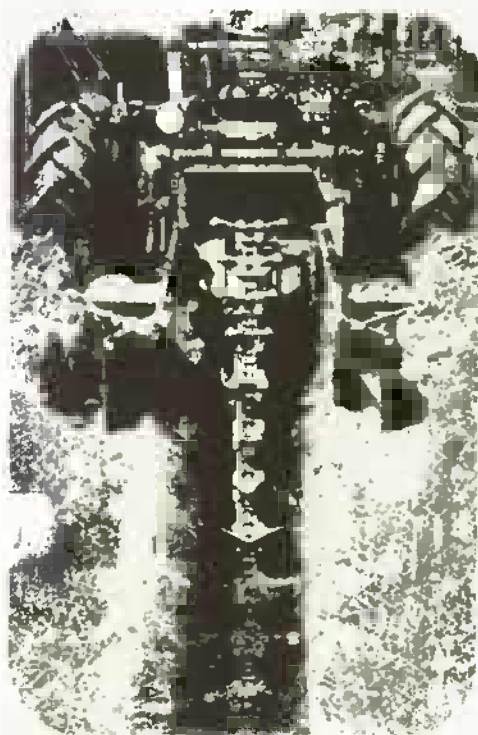
1974. About a third of the prospective decline in imports reflects anticipated larger 1975 U.S. production; around 150,000 tons will probably be replaced by new high-fructose corn sirup (HFCS); and the large remainder represents a drop in U.S. consumption, largely due to sharply higher 1975 retail prices of sugar-containing products. (Frederick Gray).

FACTORIES MOVED LESS CIGARETTES IN MAY*

BILLIONS



* TAXABLE REMOVALS FOR DOMESTIC DISTRIBUTION



INPUTS

Farm production expenses continue their persistent rise as input prices for commodities and services in mid-June were up 1 percent from mid-May and 12 percent above June 1974.

Prices of production goods were up 1½ percent from the previous month. Lower prices for feed and building and fencing materials only partially offset higher prices for machinery, feeder livestock, motor supplies, and motor vehicles.

Nonfarm Input Prices Up the Most

Prices of major input items of farm origin—such as feed, feeder livestock, and seed—lagged behind the rapidly rising prices of non-farm origin items between 1967 and 1972. Nonfarm inputs include motor supplies, motor vehicles, farm machinery, building and fencing materials, fertilizer, interest, taxes, and wage rates. However, in 1973 and most of 1974, the farm origin price index took the lead. During the latter part of 1974 the price index for items of farm origin decreased as prices of nonfarm items continued to increase, although at a slower rate. During the first 5 months of 1975, the price index for farm origin items had dropped below that for nonfarm goods.

Pesticide Situation Improves

Reports from distributors indicate that the pesticide situation has improved as the season has progressed. Frequent shortages of herbicides and insecticides for application at or previous to planting time were reported. However, after the initial tight situation, growers in most sections of the country were able to obtain adequate supplies of most materials. (Ted Eichers)

Machinery Sales Decline, Prices Rise

Equipment manufacturers are forecasting a larger decline in sales volume than was estimated back in January. However, 1975 dollar volume is expected to be 5 percent above the 1974 level. Tillage tool sales are increasing in 1975. The two main reasons for the gain are a catchup in current sales from the very low 1968-70 level, plus purchases of bigger and more sophisticated tillage tools.

Since March 1975, the price index for farm machinery increased about 9 percent. Combines and hay harvesting equipment accounted for most of this gain. In mid-June, farm machinery costs were up 26 percent from the June 1974 level. (Duane Paul)

Fertilizer Prices Likely to Move Lower

Fertilizer is a commodity traded worldwide and the United States is one of the biggest of the trading nations. When the shipments are made to a foreign destination, exporters must report to the Department of Commerce concerning the tonnage shipped, the country of destination, and the value of the product shipped.

For the most part, world trade in fertilizer is highly competitive and prices quickly reflect the bargaining that occurs between buyers and sellers. U.S. export prices for fertilizer materials can be precursors of future domestic fertilizer prices. If this proves to be the case in the months ahead, U.S. farmers can look for prices of some fertilizers to decline.

The table below shows what happened to fertilizer values in our export trade.

Although values of exports of potassium muriate (KCL) rose 12 percent from January to May 1975, average values for exports of ammonia dropped 40 percent, ammonium sulfate fell 17 percent, concentrated superphosphate 36 percent, and ammonium phosphates 10 percent. While it is true that declared values of fertilizer exports can fluctuate monthly, the outlook for domestic fertilizer prices is that they, too, will decline in the coming months. (John F. Gale)

Feed Prices Slip, Sales Pick Up

During the first half of July, feedstuffs prices moved in a mixed trend across the nation. Speculation on Russian grain purchases sharply advanced grain and soybean futures and some feedstuffs followed this advance in spite of moderate demand. Trade of these items was confined largely to immediate requirements and good pastures limited feed usage over most of the country.

Feed prices have dropped about 1 percent since mid-May. While about two-thirds of the principal feeds sold dropped in price, hay and feed grains were primarily responsible for the decline. Even so, prices at mid-June still were up about 6 percent from a year earlier.

Feed sales in the U.S. had generally increased during June and further gains are likely. Some regions have not realized increased feed sales, primarily because pastures were in good condition. However, with improved livestock prices, the volume of feed sales is likely to increase. For the United States, cattle feed sales are generally slow; dairy feed sales mixed; hog feed sales steady; poultry feeds are improving; and turkey feeds are seasonally strong. (Carl J. Vosloh, Jr.)

Interest Rates Ease on Farm Production Loans

Interest rates on nonreal estate farm loans decreased this year from the record highs reached in late 1974. As evident in the chart opposite, the average rate of 9.3 percent on Production Credit Association (PCA) loans by April 1 was down about one-half percentage point from the 1974 high. Rates at banks also were down.

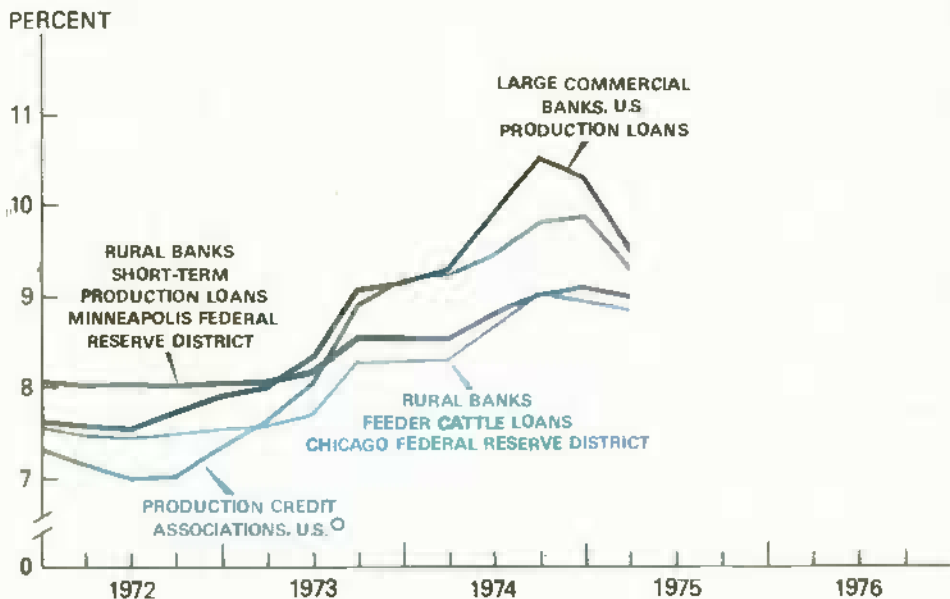
The cost of PCA funds obtained in the central money markets has declined since last summer. This is being reflected in the lower rates charged to farmers. Some short-term rates strengthened in June and July, indicating that further declines in loan rates at the farm level may be limited.

Interest charges on nonreal estate farm loans in 1974 were much greater than in 1973. More funds were used and rates were

Value of U.S. Fertilizer Exports

Material	Declared average value per ton in 1975		
	January	March	May
	Dollars		
Ammonia	258.88	255.41	154.60
Ammonium sulfate	105.38	75.75	87.01
Concentrated superphosphate	256.81	329.82	163.18
Ammonium phosphates	307.63	274.62	275.59
Potassium muriate	57.83	59.19	64.42

INTEREST RATES TURNING DOWN.*



RATES ARE AS OF THE FIRST WEEK OF THE QUARTER.
* NON-REAL ESTATE NEW LOANS (FARM). ○ INCLUDING SERVICE FEE.

sharply higher. Total interest charges on bank, PCA, and Farmers Home Administration loans were \$2.6 billion, 30 percent greater than in 1973. Rates on most loans of 9¼-9½ percent in 1974 were more than 1 full percentage point higher than in 1973. (Philip Allen)

Federal Land Bank Share of Farm Lending Increases

Although sellers of farm real estate continue to supply the largest volume of funds of any group of farm mortgage lenders, their

role is diminishing. On the other hand, Federal land banks (FLB's) have become a major force in the market in the past 5 years. The FLB's have increased their share of the market from 13 percent in 1969 to 33 percent during the year ending March 1, 1975. During the same period, life insurance companies have seen their market share decline from 19 percent to 7 percent. (See chart illustrated below).

The rapid shift in market shares has occurred during a period of substantially increasing land values which have pushed up the volume of funds required. This has oc-

curred mainly through the increase in funds supplied by the FLB's, which secure their funds by borrowing in central money markets.

Until the most recent year, commercial banks experiencing a growth in deposits have just maintained their relative position. However, for the year ending March 1, 1975, their share of loans supplied for real estate purchases dropped by 3 percentage points.

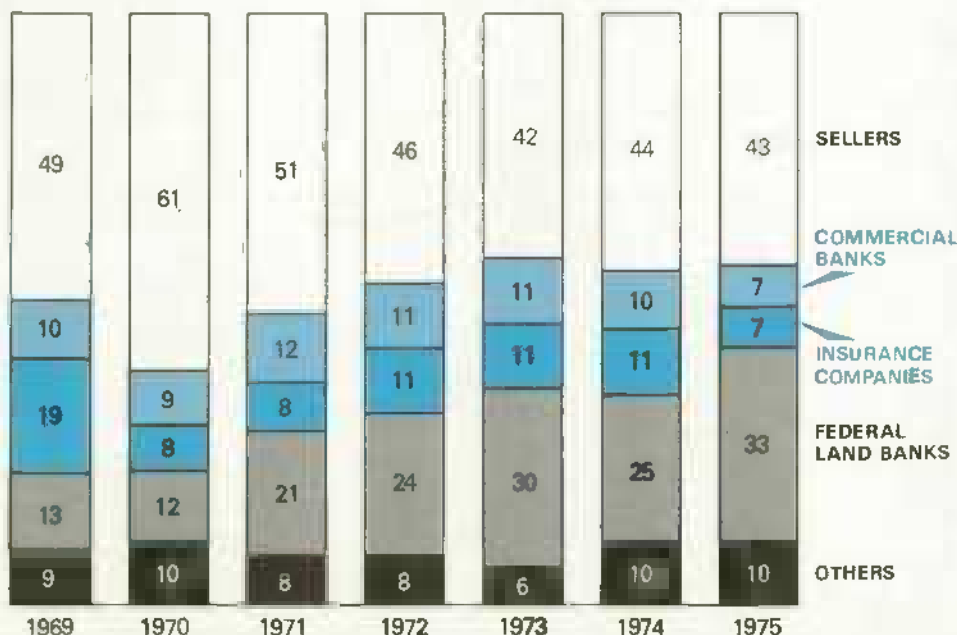
Insurance companies, which must secure their funds from earnings, premium payments, and loan repayments, have been unable to increase their agricultural lending rapidly and have at times, particularly in 1970, almost withdrawn from farm lending.

Several factors are important in explaining the trend in the sources of funds for real estate purchases. First, the Farm Credit Act of 1971 permitted the Federal land banks to lend up to 85 percent of market value as opposed to 65 percent of normal value prior to the Act. Secondly, land banks, because of their Federal charter, are exempt from State ceilings on interest rates and have been able to continue lending in States where their interest rate exceeded the State ceiling.

On the other hand, lending by insurance companies, which historically was equal to or more than that of the FLB's, was constrained for several reasons. An unexpected sharp increase in policy loans during the recent period of tight money siphoned off some funds normally allocated to farm mortgage loans. In addition, insurance companies are required to abide by State interest rate ceilings and with commercial money market rates far above these ceilings, farm lending became much less profitable than loans made to urban corporate borrowers not covered by ceiling rates. Finally, because life insurance companies' sources of funds were growing much more slowly than demand, they could not expand their lending activity rapidly.

Although banks and insurance companies are likely to continue as significant lenders in the real estate purchase market, the dominance of the Federal land banks appears to have been established and their lending activity will be the primary factor in farm real estate for some time to come. (Robert Reinsel)

LAND BANKS GROWING LENDER FOR FARMLAND PURCHASES



YEAR ENDING MARCH 1. BARS TOTAL 100%

Farmers Concerned Over Irrigation Fuel

Farmers in the Southwest have been concerned over a Federal Power Commission (FPC) order which would have allowed El Paso Natural Gas Co. to curtail natural gas for pumping irrigation water after September 23, 1975. In December 1974, the FPC issued an order which would drop agricultural use of natural gas from category 2 to category 3—a much lower priority. Farmers, agribusiness leaders, and others protested and the FPC held local and national hearings which concluded in June. The December order was deferred until June 15, 1976, unless the case is settled before then. A decision is not likely before this fall. (Earle Gavett)



MARKETING AND TRANSPORTATION

The farm-retail spread for a market basket of farm foods¹ increased in June and is expected to continue to increase moderately in the next few months, largely as a result of prospects for widening spreads for beef, pork, bakery and cereal products, and some fresh vegetables.

The farm-retail spread for the market basket rose 0.5 percent from May to June after decreasing sharply in both April and May. The increase resulted mainly from wider spreads for beef, eggs, and fresh fruit. However, spreads decreased moderately for poultry, fresh vegetables, and miscellaneous products including sugar. Farm-retail spreads for many market basket foods changed little from May to June.

The farm-retail spreads for market basket foods in June averaged 3.1 percent wider than in June 1974. At that time, spreads were 26 percent wider than a year earlier.

The retail cost of the farm food market basket increased 2.2 percent from May to June. Higher prices for beef, pork, broilers, and many fresh fruits and vegetables (particularly apples, potatoes, cucumbers, and tomatoes) contributed most to the rise. In

¹ The farm-retail spread, the difference between the retail cost and farm value of a market basket of U.S. farm-originated foods, is an estimate of the total gross margin received by marketing firms for assembling, processing, transporting, and distributing the products in the market basket. The market basket represents the average quantities of those foods purchased annually per household in 1960-61. Retail cost of these foods is based on an index of retail prices for domestically produced farm foods, a component of the Consumer Price Index, published by the Bureau of Labor Statistics. The farm value is the payment to farmers for equivalent quantities of food products minus allowances for byproducts.

contrast, retail prices for eggs, bakery and cereal products, and sugar dropped moderately in June. The June increase for the market basket was the largest monthly rise since the 3.1 percent increase from January to February 1974. Compared with a year ago, the retail cost of the farm food market basket in June was up 7.9 percent.

Returns to farmers (farm value of quantities equivalent to retail units) for market basket foods rose 4.7 percent from May to June. Higher prices for meat animals, broilers, and fresh vegetables contributed most to the increase in farm value. In contrast,

decreases were sharp for eggs, farm ingredients in bakery and cereal products, fats and oils, and miscellaneous products which include sugar. The farmer's share of a dollar spent in retail food stores for farm-originated foods was 42.8 cents in June, compared with 41.8 cents in May and 40.1 cents in June 1974.

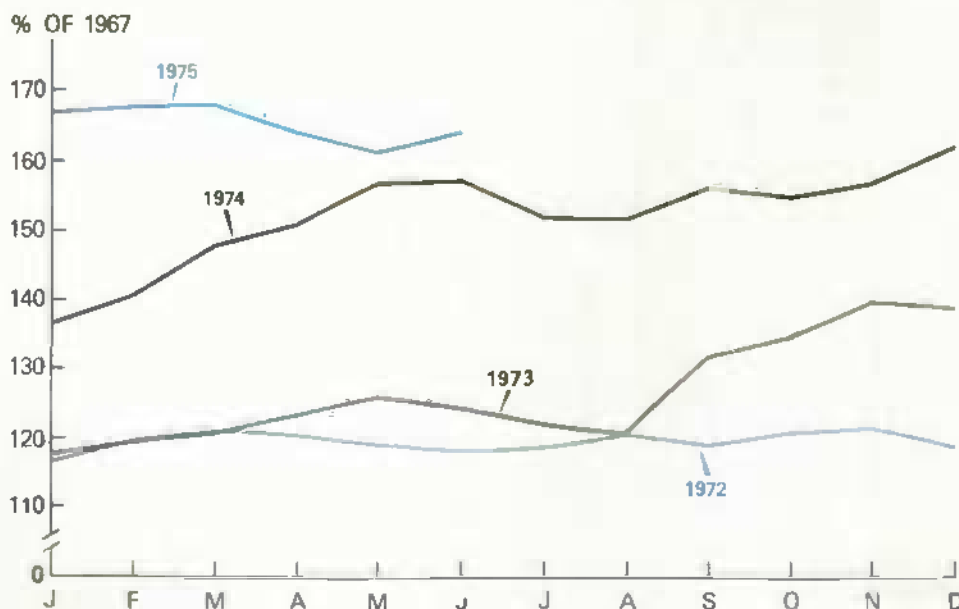
Farm-retail spreads for Choice beef are expected to widen in July as earlier increases in cattle prices show up at retail. In contrast, farm-retail spreads for pork may be squeezed somewhat as the more recent runup in hog prices may not yet be reflected at retail. If

Changes in Market Basket Values,
June 1975

Item	Retail cost		Farm value		Farm-retail spread	
	Month ago	Year ago	Month ago	Year ago	Month ago	Year ago
	Percent					
Market basket	2.2	7.9	4.7	15.1	0.5	3.1
Meat products	6.6	17.0	8.6	43.7	3.0	-13.0
Dairy products	-3	-1.8	.2	-2.8	-.7	-.9
Poultry	5.5	16.3	10.6	30.9	-1.4	-.5
Eggs	-5.4	5.1	-9.7	3.5	2.2	7.5
Bakery & cereal products	-1.2	10.1	-10.3	-22.4	.7	19.3
Fresh fruits	4.6	1.1	8.9	10.5	2.4	-3.3
Fresh vegetables	10.9	-18.3	34.5	9.1	-1.3	-30.7
Processed fruits & vegetables	-.5	13.9	(¹)	10.6	-.7	14.8
Fats and oils	-3.0	9.1	-11.7	-25.7	1.2	34.9
Miscellaneous products	-3.5	17.3	-9.7	-29.9	-2.1	35.6

¹ Less than 0.05 percent.

FARM-RETAIL SPREAD FOR FARM FOODS WIDENS IN JUNE



THE SPREAD IS THE GROSS MARGIN RECEIVED BY MARKETING FIRMS FOR ASSEMBLING, PROCESSING, TRANSPORTING, AND DISTRIBUTING A MARKET BASKET OF FOOD.

hog prices continue at the present level, wider spreads for pork probably will follow later in the summer as retailers adjust their prices to reflect price changes at farm and wholesale. Retail prices for bakery products may be slow to reflect lower farm values for most farm-produced ingredients. Marketing spreads for potatoes may also increase in July as handlers at each market level adjust their margins to the sharply higher prices which resulted from short supplies of intermediate crop potatoes. In contrast, spreads for processed fruits and vegetables may decrease in coming months as large stocks for many products curb wholesale and retail prices. Spreads for fats and oils products and sugar are also expected to decline as earlier decreases in returns to farmers are reflected at the retail level. (Henry T. Badger)

Railcar Situation Is Tightening

Railroads had considerable surplus capacity in early 1975. Grain carloadings during April and May were down more than a third from year-earlier levels. However, shipments more than doubled between late May and mid-July, rising to almost 32,000 carloads during the week ending July 12. By mid-July, weekly grain carloadings had moved above a year ago for the first time this year.

This year's record wheat output can be expected to tighten the railcar supply situation. Some local shortages are possible. However, widespread transportation delays resulting from the heavy output of wheat are not anticipated.

Railcar shortages and transportation bottlenecks for grains have typically been associated with sharp increases in exports. Thus, current grain sales to the USSR raise questions on possible impacts on the transportation system. However, our transportation system is currently better equipped to handle export movements than in 1972/73. Because stocks are down, considerably more storage is available than in 1972. Other factors that should help lessen the effect of foreign sales are generally adequate barge fleets and ocean vessel capacities and improved railcar management systems. Also, in recent months, the general economy has been stagnant, generating less rail traffic than in 1972.

The continuing shift from older style boxcars to newer covered hoppers has modernized the railcar fleet. The number of 40-foot boxcars has declined more than a fifth from 190,000 at the end of 1971 to 148,000 in December of 1974. In the same period, covered hopper cars increased almost a quarter to 219,000. Covered hopper cars reportedly carry more than four-fifths of rail shipments of grain. Substantial increases in grain shipments could cause some upward pressure on truck, barge and ocean shipping rates for grains as equipment becomes more fully employed. Such rates are not regulated and are subject to change as demand shifts.

Idle ocean shipping capacity is probably adequate to meet grain export needs.

Rail Reorganization Plan Outlined

In a development that could affect the longer term outlook for the rail industry, the U.S. Railway Association (USRA) has sent much of its final system plan for the Midwest-Northeast rail reorganization to the Interstate Commerce Commission for evaluation. The USRA was established by the Regional Rail Reorganization Act of 1973 to plan and finance the restructuring of the Midwest-Northeast rail system. The final system plan is to go to Congress for approval in late July. The plan would provide for three major carriers in the region—Conrail (based on the Penn Central and parts of smaller bankrupt railroads), an expanded Chessie system, and the Norfolk and Western Railroads. The proposal would exclude 5,100 miles of light branch lines but the USRA estimates that nearly 98 percent of traffic on bankrupt railroads in the region would be served. (Edward I. Reinset)



FOOD

Retail Food Prices Spurt in June

Led by meat and potatoes, retail food prices rose about 1½ percent in June over the previous month, following a 0.4 percent rise in May. The Consumer Price Index for all foods stood at 174.4 (1967=100) this June, up 8.8 percent from a year ago. After declining in March and April, retail food prices started moving upward again in May. Compared with a year earlier, June food-at-home prices rose a little less than prices of food-away-from-home, although food at home rose much faster from May to June. The non-

food price index in June rose about 9½ percent from a year ago.

As in May, the June advance for grocery store food prices in large part reflected higher red meat prices. Lower fed beef output pushed beef prices about 6 percent above May. Pork prices rose 7 percent due to smaller pork supplies, and poultry prices were also up reflecting smaller supplies as well as higher prices of red meat. The rise in the food index, however, was moderated by declines for cereal and bakery products, nonalcoholic beverages, eggs, fats and oils, and dairy products. Prices of sugar and sweets items declined for the seventh consecutive month, and partially prepared foods, such as soups, baby food, and pickle relish, continued the drop which started last month.

Wholesale Food Prices Up 1 Percent

The Wholesale Price Index for all foods rose for the third consecutive month in June, averaging 1 percent above the May level. Changes in wholesale prices are often a forerunner of what can be expected later on at the retail level. The increase reflected higher prices for most livestock-related foods, with declines for crop-related foods acting as a partial offset. Red meats averaged 5 percent above May, with higher beef prices accounting for much of that increase. Poultry prices were up 6½ percent, but egg prices were lower. Among crop-related foods, sugar and confectionary prices dropped 9 percent and were also below prices of June 1974. Cereal and bakery products, processed fruits and vegetables, and beverages and beverage materials dropped between May and June but fresh fruits and vegetables were higher.

Compared with a year ago, the all food index in June averaged 13 percent higher with red meats and poultry accounting for much of the rise. However, the all food index was still well below last fall's peak.

Lower Per Capita Food Consumption in 1975

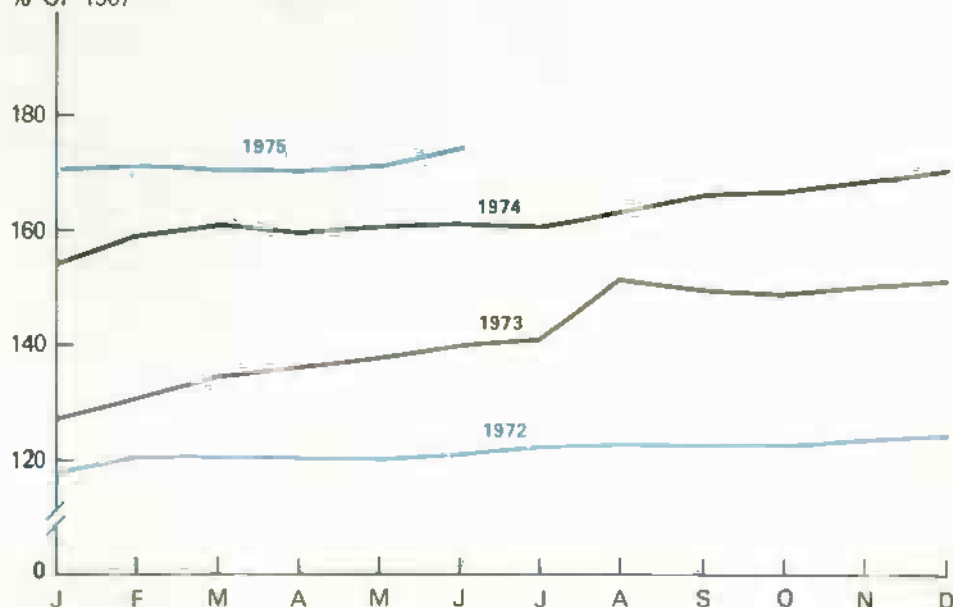
Per capita food consumption will likely drop in 1975—possibly by around 1 percent, reaching the lowest level in 6 years. A sharp reduction in consumption of livestock-related food products, reflecting reduced output in response to higher feed costs, will account for all of the decline. Per capita consumption of crop-related foods will about match 1974.

Red meat consumption in 1975 likely will dip from the 188 pounds per person used in 1974. Record beef consumption expected this year plus some increase in veal consumption will not completely offset reductions in pork, lamb and mutton consumption. With the sharp drop in the spring pig crop and a June 1 inventory of hogs and pigs a fifth below last year, pork consumption could be down 10 pounds or more per person from 1974 to the smallest in 40 years.

The use of poultry products increased a little over ½ pound per person in 1974 but

RETAIL FOOD PRICES RISE*

% OF 1967



* FOOD AT HOME. SOURCE: BUREAU OF LABOR STATISTICS.

Changes in retail food prices, June 1975

Item	From May 1975	From June 1974
	Percent	Percent
Meat	5.9	14.9
Poultry	5.3	16.0
Fish	.7	7.1
Dairy products	-.2	-.3
Eggs	-5.1	6.9
Fats and oils	-3.5	13.7
Fruits and vegetables	5.0	-3.1
Sugar and sweets	-3.7	28.6
Cereal and bakery products	-1.0	12.0
Beverages	-.2	13.7
Other preparations	-.5	14.1
Food at home	1.9	8.7
Food away from home	.2	9.1
All items less food	.6	9.5
All food	1.5	8.8

Changes in wholesale prices, June 1975

Item	From May 1975	From June 1974
	Percent	Percent
Eggs	-5.2	10.6
Fresh and dried fruits and vegetables	12.9	1.1
Cereal and bakery products	-1.0	5.1
Meat, poultry, and fish	4.7	40.8
Dairy products	.6	5.3
Processed fruits and vegetables	-.1	15.2
Sugar and confectionary	-9.1	-9.5
Beverages and beverage materials	-4.1	15.9
All foods	1.0	12.5
Farm products and processed foods and feeds	.6	12.7
Industrial commodities	.2	11.1

likely will drop sharply in 1975 because of reduced broiler and turkey output.

Per capita fish disappearance in 1975 is expected to about equal last year's 12 pounds. In 1974, per capita consumption of fish fell sharply as fish prices remained high relative to competing protein products. As a result, inventories rose during 1974. Reduced imports of many fishery items in recent months have reduced quantities in storage below a year earlier.

Consumption of eggs in 1974 declined 2 percent to 287 eggs per person with all of the decline in shell egg use. Lower available supplies in coming months will result in another sharp drop in egg use during 1975.

Milk consumption may drop slightly in 1975, but probably less than 1974's 2 percent decline to 543 pounds per person. However, USDA donations, which were down appreciably in 1974, could run higher this year.

Per capita disappearance of food fats and oils this year is expected to be down around 3 pounds from the 52½ pounds of 1974. Although butter use may be up a little, sharp declines are expected for cooking and salad oils and shortening, with possibly smaller declines for margarine and lard. The recession, and its impact upon employment and consumer spending, has curtailed consumption, along with high prices for food fat products.

Consumption of all fruit appears likely to rise again this year from 1974's 204 pounds per person. Per capita use of processed items is expected to continue its upward trend. Consumption of fresh fruit also may rise following a moderate increase in 1974, and could be the highest in 5 years.

Per capita vegetable use in 1974 likely will increase, with a sharp boost in processed use relative to the reduced level of 1974 more than offsetting a small decline in fresh use.

Use of cereal and bakery products could be up slightly this year, following a decline of about 2 percent in 1974. Last year's curtailed consumption was associated with rapid retail price increases fueled by higher costs for flour, sugar, vegetable oils, and other ingredients as well as rising processing and distribution costs. Recent declines in raw material prices and some moderation in inflationary pressures suggest a more stable price situation in 1975 and a small upturn in per capita consumption for this class of products. (Anthony Gallo)

Smaller World Coffee Crop

First estimates of the 1975/76 world coffee crop (July-June) are 72.4 million bags (132.276 pounds each), down about 8 percent from the previous year. Exportable production (total harvested production less estimated domestic consumption in producing countries) will likely total around 52.3 million bags, a decline of about 12 percent. Much of the drop is coming from Brazil, down about 4.5 million bags, but production may also decline in Colombia, El Salvador,

Angola and the Ivory Coast.

In view of this smaller crop, green coffee prices are expected to remain firm and may show some increases later this year. If green prices increase, retail prices will also rise some, although there is usually a 6 to 9 month lag before higher green coffee prices are reflected significantly at retail.

Total U.S. roastings are expected to decline again this year, continuing a downtrend beginning in 1962. Per capita consumption will likely total about 12.3 pounds green bean equivalent (GBE), down 0.5 pound from 1974. Total imports are expected to approximate last year's 2.6 billion pounds (GBE) level and may even increase slightly.

Tea Prices Higher, Consumption Larger

Retail tea prices in this country are expected to continue to rise, reflecting tight

world supplies and rising costs. Tea imports will likely decline slightly from last year's 178 million pound record. Per capita tea consumption will probably total about 0.81 pound (dry leaf basis), up about 1 percent from 1974.

Cocoa and Chocolate Prices to Show Little Change

Retail prices of cocoa and chocolate products are not expected to increase greatly and may decline some later this year largely because of lower prices of cocoa beans and sugar.

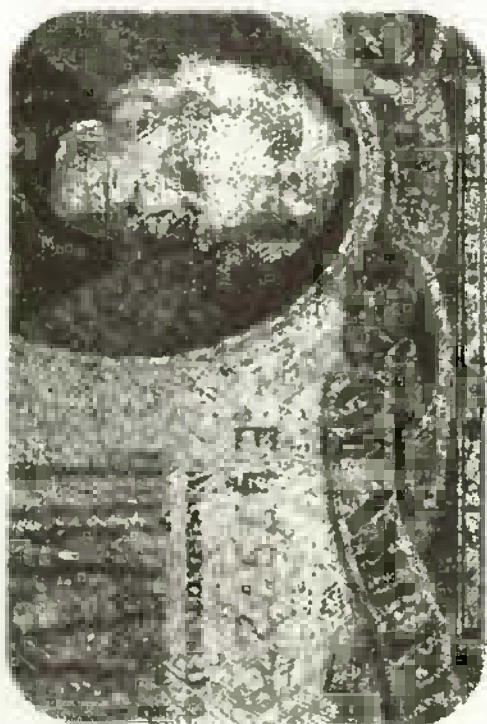
Per capita consumption will probably total about 3.5 pounds (bean equivalent), down 0.2 pound or 5 percent from 1974. Total use is likely to average around 735 million pounds (bean equivalent) in 1975, matching last year's level. (Frederick Gray)

a large overhang of unsold new homes.

The outlook for oil prices remains uncertain. Although an increase of at least \$1 per barrel in imported oil prices is likely this fall, an increase of as much as \$4 now appears to be a remote possibility. Consequently, the outcome of the current debate concerning national energy policy is likely to be a major determinant of oil prices in the relatively near future. But regardless of oil price developments, special circumstances surrounding the current recession suggest that prices may soon be rising more rapidly.

After-tax corporate profits fell from an annual rate of \$94.3 billion in the third quarter of 1974 to an annual rate of \$61.8 billion in the first quarter of 1975. While this dramatic decline in corporate profits can be partially explained by decreases in demand alone, it also resulted from the rapid inflation which preceded the sharp decline in output in the last quarter of 1974. Many industries facing weak demand in recent months have been unable to pass through earlier cost increases. Thus, there is a distinct possibility that even a modest upturn in demand will be met by higher prices as businesses attempt to restore profits which have been squeezed by the combination of recession and rising costs.

Escalating wage demands are likely to place additional pressure on prices in coming months. Despite an 8.3 percent unemployment rate in the first quarter of 1975, negotiated first-year wage increases in all industries averaged 13 percent. It is unlikely that continued high unemployment will deter workers from pressing wage demands in an effort to regain the purchasing power they lost to the inflation of 1974.



GENERAL ECONOMY

Prospects for an early turnaround in economic activity continue to brighten. Although business capital spending plans are still headed downward, expected gains in consumer spending, a slower rate of inventory liquidation, and a modest increase in housing investment should provide the ingredients for an upturn in real GNP in the third quarter.

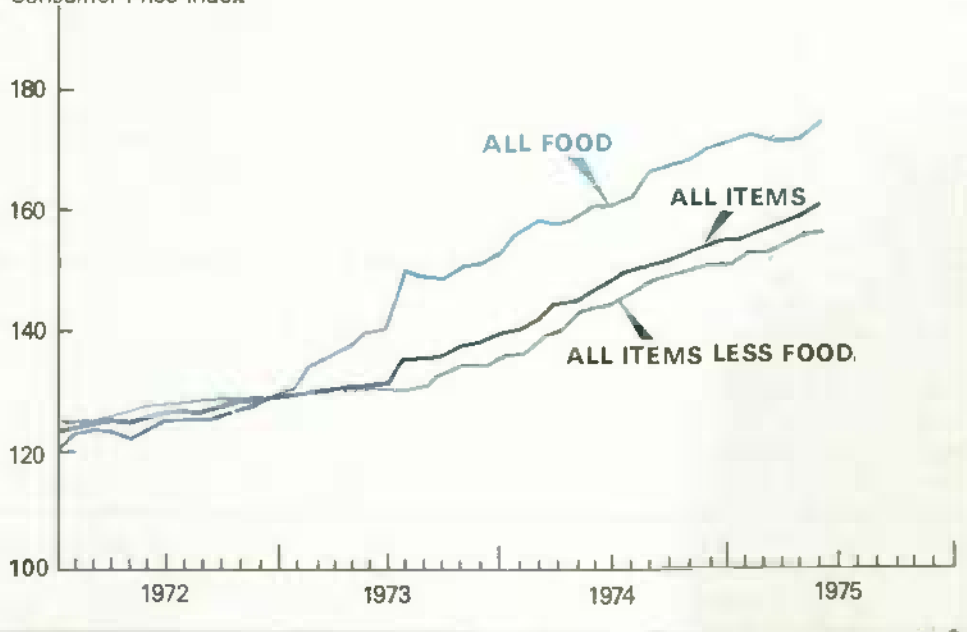
Preliminary second quarter GNP data showed an increase in inventory liquidation, but real GNP was nearly stable, declining at an annual rate of 0.3 percent. This was the smallest decline since the fourth quarter of 1973 and, together with a 0.4 percent June

industrial production increase, indicates that the recovery may already be underway.

While it is difficult to predict how strong the recovery will be, a gradual upturn seems most likely. Consumer spending should be limited by a high saving rate as a result of continued high unemployment and a possible increase in the rate of inflation. Considering the low level of current output relative to productive capacity, little strengthening in business capital spending can be expected for the remainder of 1975. And although housing-related activity has begun to show signs of improvement, housing investment will continue to be held in check by

RETAIL INFLATION SLOWS COMPARED WITH 1974

% OF 1967
Consumer Price Index



Leading Indicators Continue to Advance

Lending strong support to prediction of an early end to the recession, the composite index of leading indicators increased for the third consecutive month in May. The May advance was 2.1 percent compared with 3.0 percent in April. Eight of the 10 May indicators which were available as of June 26 showed an increase from April, but both of the employment-related indicators were unchanged.

Unemployment Rate Drops

A large adjustment to compensate for the normal seasonal increase in unemployment sent the unemployment rate down from 9.2 percent in May to 8.6 percent in June. This decline will probably prove to be temporary, but there have been some indications that labor market conditions are gradually improving.

Total employment increased for the third straight month in June, although the rise was smaller than in either of the previous 2 months. New hires increased from 17 to 18 per 1,000 workers in May and the quit rate was up from 12 to 13 per 1,000 workers. The quit rate is an indicator of labor market conditions because the better the prospects for reemployment, the more likely it is that workers will leave their jobs.

Retail Price Advance Slows From 1974 Highs

Based on preliminary data, the annual inflation rate as measured by the implicit price deflator for GNP was 5.1 percent in the second quarter. This was the smallest advance in the GNP deflator since the fourth quarter of 1972 and was a substantial improvement over the 8.4 percent inflation rate recorded in the first quarter.

Although sharply higher food prices sent the Consumer Price Index up 0.8 percent in June, retail prices of nonfood items increased 0.5 percent in June, compared with 0.6 percent in May and 1.3 percent in June 1974. As the recession has continued, the rate of inflation at retail has declined substantially from the peak levels of last year.

Recent declines in the rate of inflation at the retail level have resulted from a low level of demand and the inability of producers to pass through earlier cost increases. Accordingly, the outlook for consumer prices depends on the strategy adopted by producers to restore squeezed profit margins.

Some acceleration in the rate of inflation is likely as part of earlier cost increases are passed along to consumers in response to increasing demand. But with demand remaining sluggish for some time, individual businesses are likely to be more than normally sensitive to the effect of higher prices on consumer demand for their products. Consequently, the rate of inflation at the retail level should remain below 6 percent for the rest of this year. (Arthur Malloy)



WORLD AGRICULTURE AND TRADE

USDA's estimate of the Soviet grain crop has been lowered to 185 million tons from the 200 million ton estimate made earlier this year. A harvest of 185 million tons would be about 5 percent below the 1974 crop, and over 30 million tons below the total planned for 1975. Reserve stocks if available, could meet some of this short-fall, but the Soviets are purchasing grain on world markets. The

accompanying chart shows historical USSR grain production and forecasts for grain production.

Total grain purchases by the USSR in this calendar year are uncertain. The Soviets have been rather erratic purchasers of U.S. farm products, importing \$900 million in fiscal 1973, \$513 million in fiscal 1974, and the July-May 1975 total was \$377 million. In fiscal 1976, the Soviet demand for imported grain may increase sharply due to the drought in the important spring grain areas.

Regional Outlook for U.S.

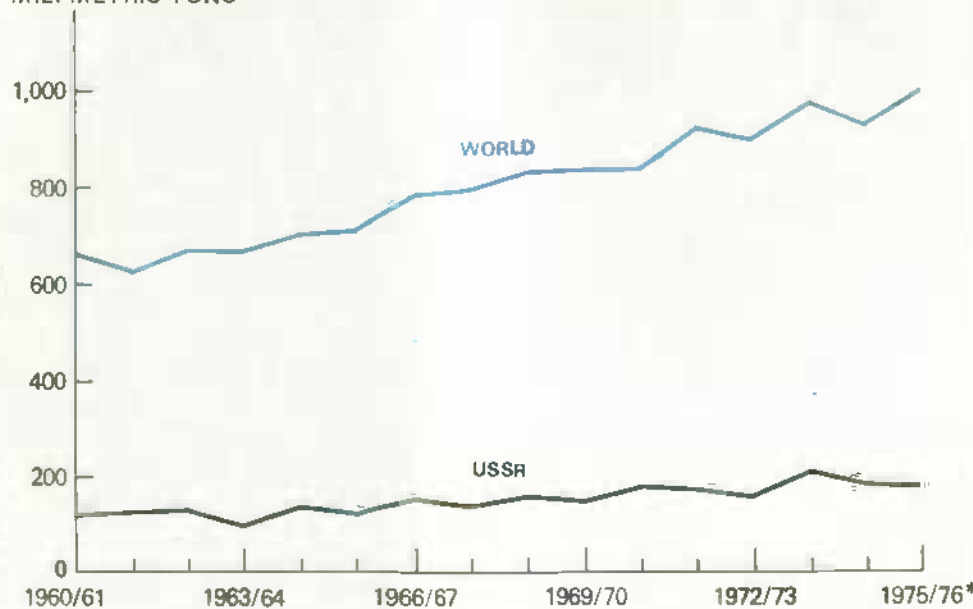
Agricultural Exports

Japan, the Netherlands, West Germany, and Canada are likely to continue as the four leading markets for U.S. agricultural exports in fiscal 1976 as they have for the last 4 years. However, some major changes are occurring among other markets in such areas as West Asia, East Asia, Latin America, and Africa. Iran, for example, imported nearly \$800 million worth of U.S. agricultural commodities during fiscal 1975, nearly 10 times the level of only 2 years earlier. Another fast growth market in West Asia, Iraq, is expected to import \$142 million in 1975, up from \$26 million in 1973. The Peoples' Republic of China, a large market in fiscal 1973 and 1974, is not expected to remain a big buyer. Crops there are supposed to be good; thus, there is little apparent need for imports of soybeans, corn, wheat or cotton—their usual purchases. Mexico's purchases from the U.S. have swelled from \$252 million in fiscal 1973 to an expected \$900 million in fiscal 1975.

India is expected to remain a large importer of U.S. agricultural goods due to the

SOVIET GRAIN FAILS TO KEEP UP WITH WORLD OUTPUT

MIL. METRIC TONS



* FORECAST

Economic indicators in major foreign markets	Unemployment ¹				Real Growth in GNP, 1974	Change in industrial production ⁴			Change in consumer prices ¹		
	Number ²	Change in number of unemployed				Last month ³	Last 12 months	1974 ¹	Last month	Last 12 months	1974 ⁴
		Last month ³	Last 12 months	1974 ⁴							
	1,000	Percent									
Japan	1,120 (3)	3.7	24.4	53.7	-1.8	9.3 (3)	-16.1	-14.5	2.2 (4)	13.6	21.0
Germany	1,087 (4)	-2.4	111.0	94.7	.6	4.6 (3)	-5.7	-9.5	.8 (4)	6.1	7.2
Canada	795 (4)	-1	40.0	16.6	3.7	3.8 (2)	-1.6	-2.1	.5 (4)	11.1	12.4
United Kingdom	823 (4)	3.3	36.7	*38.2	-3	-9 (3)	-3.5	-1.9	3.9 (4)	21.7	19.5
Netherlands	184 (4)	-3.2	55.9	38.2	2.5	.8 (3)	-3.2	-4.7	1.2 (4)	10.3	10.9
Italy	*603 (1)	*.2	*3.2	*3.2	3.8	5.2 (2)	-7.8	-11.2	1.3 (4)	20.4	25.3
France	757 (4)	.3	82.0	56.4	4.0	-1.6 (3)	-7.7	-3.1	.9 (4)	12.7	15.2
Spain	224 (1)	14.3	107.4	51.9	5.0	.7 (2)	-7.3	-1.4	1.7 (4)	17.0	17.9
Belgium	160 (4)	2.5	70.2	37.3	4.0	1.8 (2)	-10.1	-5.0	1.1 (4)	14.4	15.7
Korea	n.a.	n.a.	n.a.	22.8	n.a.	-4 (2)	.8	17.2	3.9 (3)	21.6	26.0

¹ Parenthetical numbers following data indicate date of latest available data: (12)=December 1974, (1)=January 1975 etc. ² Definitions of unemployment vary significantly from country to country and therefore are not comparable one with the other. ³ Seasonally adjusted data used. ⁴ December to December change. ⁵ No December figure published by the United Kingdom due to labor strife. December unemployment figure estimated by ERS as mid-point between November 1974-January 1975 figure. ⁶ Data collected first week in each quarter, in this particular case, the first quarter of 1975. Change during last month is one-third of change from fourth to first quarter. Change during last 12 months and in 1974 is for fourth quarter 1973 to fourth quarter 1974.

continued attempt to rebuild stocks depleted in 1973. The monsoon has been underway there since June 20 and present expectations are for this year's food crops to be good. The wheat crop of 26 million tons harvested in the spring was above average. India has suffered from less-than-normal monsoons in 3 of the past 6 seasons, with the 1972 and 1974 rains approaching disaster levels. In 1970, 1973, and 1975, the monsoon was above normal. The monsoon greatly affects the production of rice, coarse grains, peanuts, and cotton. The current political unrest is not expected to have any bearing on India's purchase of U.S. commodities.

The first estimate of acreage sown to wheat in Canada is about 25 million acres, up 9 percent over last year's sown acreage. However, total acreage sown to feed grains at 16.7 million acres, is down 8 percent from 1974. Yields are expected to be slightly better than last year due to favorable weather thus far. Canada is expected to import about \$1.5 billion of agricultural products from the U.S. in fiscal 1976.

Japan has issued a beef import quota for 11,500 metric tons, the first since purchases of foreign beef were suspended early in 1974. Sales of U.S. beef to Japan fell dramatically in fiscal 1975 to only 2,000 metric

tons, compared with over 12,000 metric tons in fiscal year 1974.

Drought in Australia was alleviated the first week in July by rains which aided the Australian wheat crop. Large areas of Southern Queensland and Northern New South Wales have received enough rain for postponed sowing to proceed. Plantings this year could equal last season's 21.7 million acres, but yields will be lower because of later sowing. Australia usually produces about 2 to 3 percent of the world's total wheat and has exported from 8 to 15 percent of total world wheat exports.

International Reserves and Ratio of Reserves to Imports in Major Foreign Markets¹

Country	International reserves ¹		
	Value, end of April 1975	Change from a year ago	Ratio of reserves to imports ²
	\$ million U.S.	Percent	
Japan	14,337	12.8	23.1
Germany	33,571	-7	48.9
Canada	5,535	-11.2	16.0
United Kingdom	7,312	5.1	13.5
Netherlands	7,123	24.0	20.9
Italy	6,900	11.2	16.9
France	9,594	18.1	18.2
Spain	³ 6,266	-3.2	40.8
Belgium-Luxembourg	5,940	25.6	20.0
Korea	958	-9.4	14.2

¹ International reserves consist mainly of foreign exchange reserves but also includes gold, SDR's and the reserve position in the IMF. ² Based on 1974 imports, c.i.f. ³ End of March.

Review of U.S. Agricultural Exports

For fiscal 1975, U.S. agricultural exports probably totaled about \$21.7 billion with imports totaling approximately \$9.5 billion, creating a net positive trade balance of about \$12 billion. Exports of grains and feed were expected to total about \$11.4 billion.

International agricultural prices have continued to drop sharply since November 1974, with the exception of yellow corn which rose slightly to \$3.07 a bushel (Gulf port price) in June, up from \$2.94 in May and from the average monthly price of \$2.96 in June 1974. The U.S. Gulf port price of wheat (HRW No. 2) was \$3.47 in June, compared with \$4.28 in June 1974. Soybeans (No. 2 yellow) were priced at \$5.46 a bushel in June 1975, compared with \$5.63 a year ago. Agricultural commodity prices had generally peaked by January 1975. These price declines were caused by prospects for record crops in 1975/76, reduced purchases by centrally planned economies during fiscal 1975, and the continuing economic stagnation in major developed nations.

Unit values for U.S. agricultural exports and imports have also turned down since early 1975. The average unit values of some

agricultural raw materials exported by developing countries in fiscal 1975—such as sugar, cocoa, cotton, rubber, and coconut oil—are considerably lower than in 1974, although there has been a slight increase for some of these commodities in May and June.

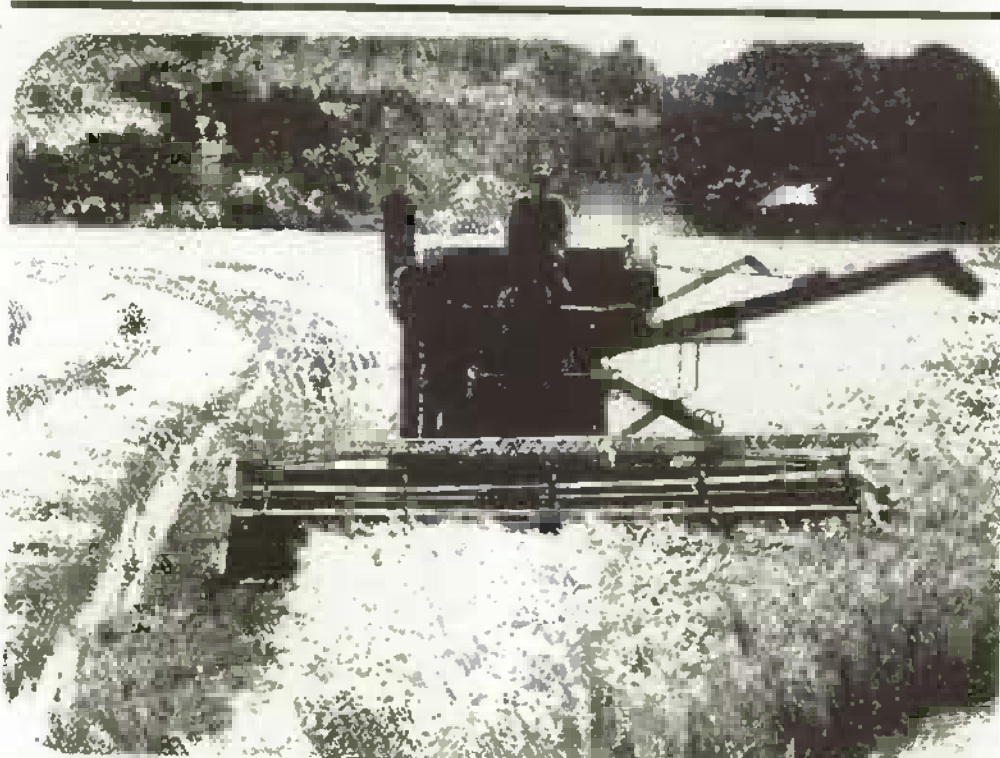
New Round of Trade Negotiations Underway

Fears of adverse terms of trade for developing countries were expressed at the Multilateral Trade Negotiations (MTN) currently being held in Geneva. This round of negotiations, the first major one since 1967, is to

deal with all types of trade barriers, both to agricultural and industrial products.

World Economic Situation

Inflation and unemployment rates in early 1975 were still above normal in many developed nations (see table above). Some leading economic indicators suggest a possible increase in economic activity in the latter part of 1975 or early 1976. However, much uncertainty still surrounds the general world economy since the possibility of another increase in oil prices looms ahead. (Susan Tripp)



FARM INCOME DEVELOPMENTS

1974 Highlights of Farm Income

1974 was another high income year for farmers. Realized net farm income to farmers at \$27.7 billion was exceeded only by 1973. Farms with sales of \$100,000 and over in 1974 accounted for nearly half of all farm products sold while they numbered only 4 percent of all U.S. farms. Operators of small farms derived most of their income from "off-farm" sources while the largest farms earned only a tenth of their income off the farm. USDA economists William C. Paddock, Charles W. Cobb, and Wilson Kaiser discuss some of these developments.

Higher Production Expenses Pull Down 1974 Net Income

Realized gross farm income in 1974 rose to a record \$101.1 billion, up \$5.8 billion from a year earlier. However, sharply higher outlays totaling \$73.4 billion left 1974 realized net income at \$27.7 billion. While

this was down from the record \$29.5 billion of 1973, it was still well above any previous year. Net income for 1973 has been revised downward from \$32.2 billion to \$29.5 billion while 1974 net income was revised up \$0.5 billion to \$27.7 billion.

On the income side, cash receipts from farm marketings reached a record of \$93.5 billion in 1974, up \$6.6 billion from the previous year. Crop receipts jumped \$11 billion as prices received for crops averaged 30 percent higher. Corn, soybeans, wheat, sugar, vegetables, and tobacco registered the largest increases in receipts. In 1974, crop receipts of \$52.1 billion were more than \$10 billion higher than receipts from livestock and products. This switch in the dollar value importance of crops versus livestock (see chart opposite) was the first since the mid-20's. During the 1960's, crop receipts amounted to around 42 percent of total marketing receipts.

Livestock and livestock product receipts in 1974 dropped \$4.4 billion. Receipts were down sharply for cattle, calves, hogs, broilers, and turkeys as prices averaged well below a year earlier. Milk producers fared better as receipts rose \$1.3 billion. Direct government payments to farmers last year declined to \$0.5 billion, another substantial drop from the \$2.6 billion of 1973 and \$4.0 billion of 1972.

Realized nonmoney income—the imputed value of home consumption and the rental value of farm dwellings—was up more than \$1 billion over 1973's \$5 billion, with the big push coming from increased prices for real estate and other items related to nonmoney income.

As for production expenses, farmers experienced another sharp rise of nearly \$7.6 billion last year. Prices paid for production items, interest, taxes, and wage rates averaged some 17 percent higher than in 1973. Expenses were up most for fertilizer, \$2.5 billion; feedstuffs, \$1.8 billion; capital consumption allowances (depreciation), \$1.7 billion; and petroleum fuel and oil, \$0.8 billion. A partial offset to the rise in expenses was a drop of \$2.9 billion in outlays for livestock and poultry purchased by farmers.

Trends In Income Per Farm

In the past 3 years, farmers' net incomes have risen sharply following little growth during the 1950's and 1960's. However, on a per farm basis, net realized income doubled from \$2,273 in 1950 to \$4,665 in 1970 as the number of farms dropped from 5.6 million in 1950 to less than 3.0 million. In 1973, net income per farm peaked at \$10,363 and declined slightly to \$9,789 last year. Farm numbers changed little.

Farm income deflated by prices paid for family living items is a better key to the purchasing power of farmers since it is not masked by price changes. Real net income in 1967 dollars on a per farm basis rose only \$127 from 1950 to \$3,118 in 1960, a period of very little real growth.

Real income moved up slowly during the 1960's to \$4,092 by 1970. In the 1972-74 period, farmers fared much better, earning \$4,865, \$7,509, and \$6,080 per farm, respectively, from their farming enterprise. It is important to keep in mind that these averages pertain to all farms. A later section shows how income on the Nation's farms is distributed by size of farm.

Dynamic Changes In Personal Income

Personal income of farm people from both farm and nonfarm sources has shown significant changes over the past decade in both its makeup and in comparison with incomes of nonfarm people. Prior to 1967, farm people earned more of their per capita personal income from farm sources than from nonfarm sources. However, during the 1967-72 period, they received more than half of total personal income from nonfarm

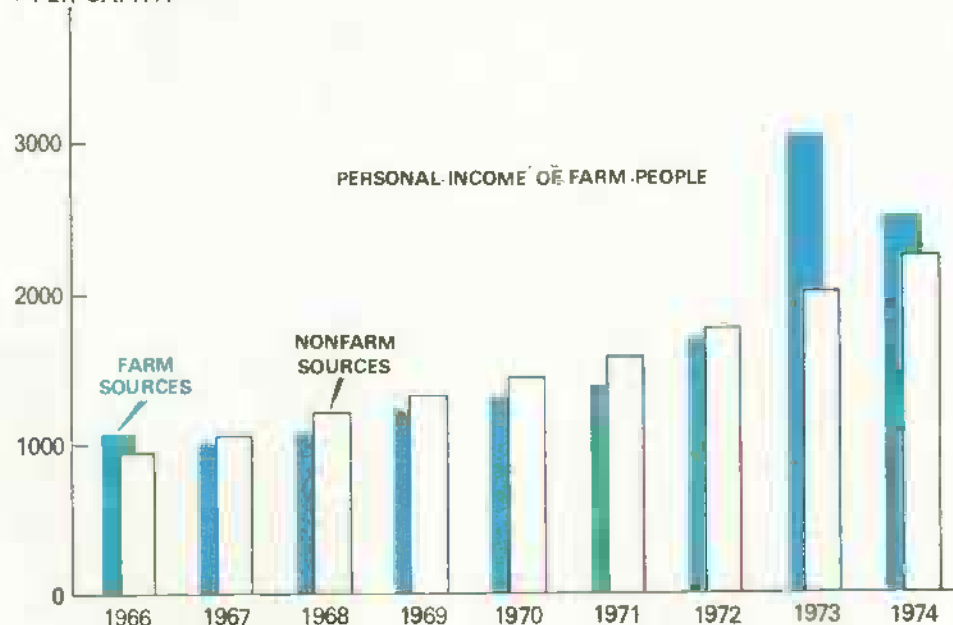
CROPS LEAD RECEIPTS FOR FIRST TIME IN 50 YEARS

\$ BILLION



FARM EARNINGS EXCEED NONFARM IN 1973-74

\$ PER CAPITA



sources as farm people supplemented their farm income with off-farm employment and revenue. With the dynamic rise in farm commodity prices in 1973 and the resulting jump in realized net farm income, farmers again made relatively more from their farming enterprise, even though income from nonfarm sources continued to rise sharply. With the anticipated 1975 drop in net farm income, people on farms may again derive a greater share of their personal

income from nonfarm sources. (See chart above).

In 1973, per capita disposable personal income of farm people from all sources exceeded that of nonfarm people for the first time since estimates were begun in 1934. Income of people living on farms rose to 81 percent of that for the nonfarm population in 1972, up from 53 percent in 1960.

Then, as a result of the dramatic spurt in farm income in 1973, per capita income of

farm people was almost 7 percent above that for persons living off farms. With net farm income receding from 1973 to 1974 and the per capita income of nonfarm residents rising, the ratio dropped to 92 percent in 1974. Probably this ratio of farm to nonfarm residents' earnings will stay below 100, unless there is another substantial increase in income from farming as was the case in 1973.

Income of Farm Operator Families by Value of Sales Class

Rapid changes are taking place in the structure of our Nation's agriculture, as evidenced by the distribution of farm numbers, realized gross and net farm and off-farm income of farm operator families by value of sales classes.

The number of farms with sales of \$100,000 and over increased from 23,000 in 1960 to 115,000 in 1974. In 1960, these farms accounted for less than 1 percent of all farms but for over 17 percent of the value of farm products sold. By 1974, farms of this size represented around 4 percent of all farms but accounted for about 47 percent of the total value of farm products sold. Over this period the proportion of total realized net income accruing to these farms rose from about 6 percent to nearly 35 percent.

Not only were these farms with sales of \$100,000 and over increasing rapidly in number and relative importance with respect to agricultural production and income, but they were also increasing in size. For example, cash receipts from farm marketings in this group averaged about \$390,000 per farm in 1974, up nearly 50 percent from 1960. Increases in realized net income per farm for these size farms were even more dramatic as they registered more than a 200 percent gain during the period, from a low about \$29,000 in 1963 to a peak of about \$93,000 in 1973.

In 1960, an estimated 90,000 farms with sales of \$40,000 to \$99,999 accounted for \$5.5 billion in cash receipts out of a total of \$35.2 billion for all farms combined. In relative terms, this group in 1960 comprised 2 percent of all farms and accounted for nearly 16 percent of cash receipts. Also, this same group of farms earned \$1.2 billion, or about 11 percent, of total realized net income. By 1974, farms in this group numbered 355,000, a fourfold increase since 1960. Further, their relative share of cash receipts and realized net income in 1974 was 24 percent and 26 percent, respectively.

Farms with value of sales of \$20,000 to \$39,000 increased from 227,000 (6 percent of all farms) in 1960 to 588,000 (21 percent) in 1974. These farms accounted for a rather stable 18 to 20 percent of all farm sales from 1960 to 1974. Their realized net income ranged from \$8,000 to \$13,000 per farm during the period and from about 17 percent to a high of 26 percent of realized net income for all farms combined in 1960 and 1971, respectively.

Income per farm operator family by major source and by value of sales classes

Year	Farms with sales							
	\$100,000 and over	\$40,000 to \$99,999	\$20,000 to \$39,999	\$10,000 to \$19,999	\$5,000 to \$9,999	\$2,500 to \$4,999	Less than \$2,500	All farms
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Realized net income ¹								
1960	30,826	13,812	8,084	5,095	3,211	1,931	806	2,806
1961	31,653	14,578	8,431	5,317	3,337	1,995	852	3,036
1962	30,171	14,302	8,256	5,252	3,239	1,916	843	3,095
1963	29,322	13,983	8,026	5,133	3,101	1,814	826	3,112
1964	31,313	12,500	8,413	5,431	3,242	1,884	873	3,261
1965	32,750	15,064	8,543	5,509	3,201	1,828	898	3,519
1966	44,186	18,043	10,091	6,022	3,350	1,891	931	4,292
1967	29,327	14,992	8,753	5,291	2,984	1,665	868	3,659
1968	30,867	15,478	9,235	5,467	3,072	1,675	884	3,909
1969	40,371	17,220	10,400	5,873	3,252	1,694	913	4,639
1970	38,600	16,664	10,120	5,707	3,160	1,634	893	4,665
1971	33,242	15,164	9,334	5,237	2,908	1,495	847	4,399
1972	51,801	18,351	10,912	6,131	3,409	1,782	969	6,032
1973	93,264	22,864	12,678	6,910	3,810	1,997	1,053	10,363
1974	83,234	20,192	11,234	6,015	3,341	1,745	1,022	9,789
Off-farm income								
1960	N.A.	N.A.	1,678	1,258	1,574	1,848	2,732	2,140
1961	N.A.	N.A.	1,799	1,440	1,867	2,137	3,064	2,425
1962	N.A.	N.A.	1,929	1,631	2,171	2,426	3,406	2,713
1963	N.A.	N.A.	2,109	1,843	2,508	2,764	3,821	3,053
1964	N.A.	N.A.	2,306	2,071	2,845	3,081	4,194	3,381
1965	7,278	3,680	2,507	2,319	3,232	3,471	4,713	3,792
1966	7,209	3,692	2,691	2,715	3,718	4,077	5,305	4,257
1967	7,116	3,655	2,803	3,039	4,102	4,553	5,653	4,577
1968	7,400	3,799	3,020	3,448	4,588	5,133	6,209	5,034
1969	7,490	3,875	3,215	3,855	5,090	5,748	6,955	5,534
1970	7,618	3,949	3,359	4,187	5,448	6,184	7,433	5,874
1971	8,310	4,324	3,669	4,556	5,927	6,728	8,258	6,424
1972	8,914	4,653	3,960	4,948	6,446	7,339	9,625	7,091
1973	9,575	5,027	4,345	5,512	7,294	8,363	13,671	8,251
1974	10,670	5,614	4,844	6,142	8,150	9,340	16,187	9,232
Total income including non-money income from farm food and housing ¹								
1960	N.A.	N.A.	9,762	6,353	4,785	3,779	3,538	4,946
1961	N.A.	N.A.	10,230	6,757	5,204	4,132	3,916	5,461
1962	N.A.	N.A.	10,185	6,883	5,410	4,342	4,249	5,808
1963	N.A.	N.A.	10,135	6,976	5,609	4,578	4,647	6,165
1964	N.A.	N.A.	10,719	7,502	6,087	4,965	5,067	6,642
1965	40,028	18,744	11,050	7,828	6,433	5,299	5,611	7,311
1966	51,395	21,735	12,782	8,737	7,068	5,968	6,236	8,549
1967	36,443	18,647	11,556	8,330	7,086	6,218	6,521	8,236
1968	38,267	19,277	12,255	8,915	7,660	6,808	7,093	8,943
1969	47,861	21,095	13,615	9,728	8,342	7,442	7,868	10,173
1970	46,218	20,613	13,479	9,894	8,608	7,818	8,326	10,539
1971	41,552	19,488	13,003	9,793	8,835	8,223	9,105	10,823
1972	60,715	23,004	14,872	11,079	9,855	9,121	10,594	13,123
1973	102,839	27,891	17,023	12,422	11,104	10,360	14,724	18,614
1974	93,904	25,806	16,078	12,157	11,491	11,085	17,209	19,021

¹ Includes government payments.

N.A.—Not available.

A decline in farms with sales of less than \$20,000 lowered their relative proportion of the total from 91 percent (3,623,000 farms) in 1960 to 63-percent (1,772,000) in 1974.

Off-farm Income More Important on Smaller Farms

Income from "off-farm" sources includes all income received by farm operators and family members from sources other than the farm operated. The total income position of farm families represents a combination of income from both farm and off-farm sources. Several significant aspects of the total income picture within agriculture are revealed when they are combined by value of sales class.

Income from off-farm sources is a supplement to farm earnings for families operating farms in each of the value of sales classes. In 1974 off-farm income ranged from a low of \$4,844 per farm operator family with farm sales from \$20,000 to \$39,999 to a high of \$16,187 per farm operator family with farm sales less than \$2,500. Families operating farms with sales of \$100,000 and over earned \$10,670 in off-farm income in 1974, a significant absolute amount but low relative to their realized net farm income (\$83,234). Off-farm earnings for this group represented only 11 cents of each dollar of total family income.

As the scale of farming operations declines from the \$100,000-plus level, families depend more heavily on off-farm sources of income. For example, in the second highest sales group (\$40,000 - \$99,999), farm operator families derive 22 cents of every dollar of their total income from off-farm sources; in the \$20,000 to \$39,999 sales group, 30 cents of every dollar; in the \$10,000 to \$19,999 sales group just over half (51 cents). This dependence on off-farm income increases rapidly as the sales class scale declines to a maximum of 94 cents of every dollar of total income for families operating farms in the group with sales less than \$2,500.

In summary, by far the largest share of the total income of families operating the larger farms is earned from farming and conversely, families associated with low production farms depend largely and increasingly on income from off-farm sources.

Income Distribution by Sales Class Supplements Totals and Averages

Aggregates and averages of farm income and production expenses for all farms from the very small to the very large cannot provide answers to many of the questions about rapid changes occurring in the farming industry today. Included are farms on which farming is not a major source of income, but on which nonfarm employment or other

types of nonfarm income provide most of the family income. Also included are farms on which farming is the principal source of family income. Annual estimates of numbers of farms and farm income by value-of-sales class supplement and expand the information provided by the aggregate totals and averages. An examination of the distributions of number of farms and farm income by value of sales classes reveals many aspects of the farm income situation that are not apparent from the aggregates and averages from all farms combined.

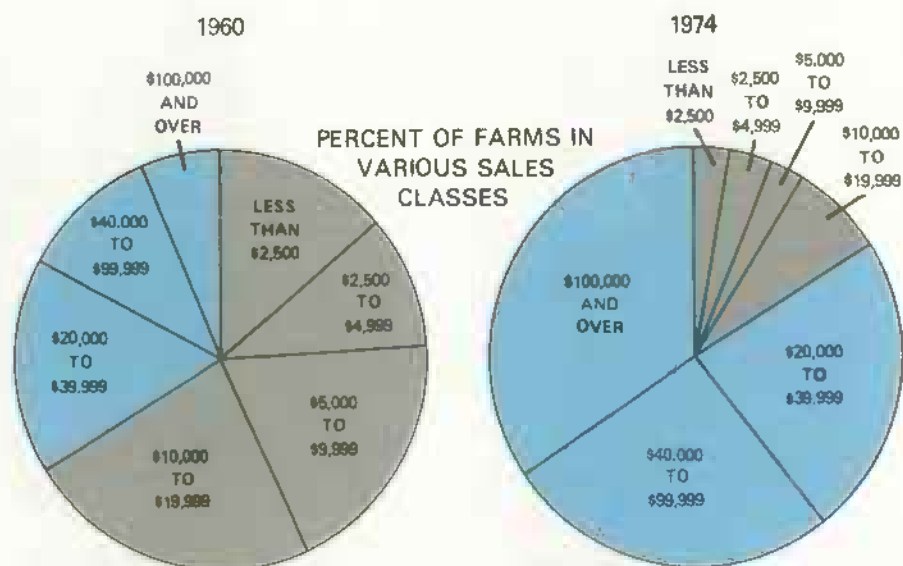
Estimates of class averages are sometimes misleading and should be used cautiously. Basic information for numbers of farms and their characteristics by sales class does not provide knowledge about individual farms. The idea every farm in a specified group experiences income and expenses that changes along with the indicated group average is not intended. Income and expenses for individual farms within a group may be either above or below the prevailing group average in a given year and farms may even move up or down into another sales class group from one year to the next.

Price Changes Affect Cash Receipts

Changes in prices received by farmers have an important influence on cash receipts from farm marketings and hence on the farm income distributions of farms and farm income by value of sales classes. This is particularly noticeable in years like 1972, 1973 and 1974, when farm prices rose sharply, leading to a huge expansion in receipts from farm marketings. The index numbers (1967=100) below show the pattern during the period covered by the farm income distributions, and point up the volatile nature of farm prices in the past 3 years.

Year	Prices received by farmers 1967=100
1960	94
1961	94
1962	96
1963	96
1964	93
1965	98
1966	105
1967	100
1968	103
1969	108
1970	110
1971	112
1972	126
1973	172
1974	184

LARGE FARMS GET LION'S SHARE OF FARM INCOME



An upcoming statistical bulletin, "Farm Income Statistics" to be released in August will provide more detailed farm income and related data, including historical series on farm and personal income.

STATISTICAL INDICATORS

Cash receipts ¹ from farm marketings, by State, January-May	Livestock and products		Crops ²		Total ³	
	1974	1975	1974	1975	1974	1975
	Smil ³					
NORTH ATLANTIC						
Maine	95.4	93.9	142.9	54.8	238.4	148.7
New Hampshire	22.4	20.7	8.0	7.6	30.4	28.3
Vermont	85.9	77.8	8.4	8.1	94.4	85.9
Massachusetts	44.7	42.1	31.4	32.9	76.1	75.0
Rhode Island	4.9	4.6	4.4	3.4	9.4	7.9
Connecticut	55.1	49.0	39.0	40.6	94.2	89.6
New York	469.1	431.2	149.8	135.1	618.9	566.3
New Jersey	50.2	44.7	46.5	44.8	96.6	89.5
Pennsylvania	489.2	445.5	176.6	158.2	665.8	603.7
NORTH CENTRAL						
Ohio	426.7	402.3	427.6	790.0	854.3	1,192.4
Indiana	510.7	491.4	547.3	534.4	1,058.0	1,025.8
Illinois	803.8	753.3	1,707.6	1,511.0	2,511.4	2,264.3
Michigan	310.7	279.3	259.2	261.8	569.9	541.1
Wisconsin	918.8	816.7	151.4	151.3	1,070.2	968.1
Minnesota	895.1	789.3	883.7	728.6	1,778.8	1,517.9
Iowa	1,678.2	1,560.3	1,310.4	1,381.0	2,988.6	2,941.3
Missouri	716.4	645.2	348.3	329.0	1,064.7	974.1
North Dakota	217.6	165.7	829.3	475.1	1,046.8	640.8
South Dakota	602.3	511.5	334.5	234.2	936.8	745.7
Nebraska	1,059.2	934.9	723.8	651.2	1,783.0	1,586.1
Kansas	905.9	721.6	727.6	617.8	1,633.4	1,339.4
SOUTHERN						
Delaware	66.2	65.6	15.6	13.6	81.8	79.2
Maryland	163.5	157.8	62.5	70.6	226.0	228.4
Virginia	190.5	184.3	83.2	84.0	273.7	268.3
West Virginia	39.8	35.6	11.9	13.3	51.7	48.9
North Carolina	402.8	382.8	181.1	159.4	583.9	542.1
South Carolina	112.1	103.7	111.0	117.9	223.1	221.6
Georgia	441.0	410.3	132.7	200.2	573.7	610.5
Florida	242.1	230.2	993.7	1,154.4	1,235.8	1,384.5
Kentucky	269.3	239.1	208.1	245.0	477.4	484.1
Tennessee	212.4	179.6	96.4	112.0	308.9	291.7
Alabama	284.3	283.2	121.3	158.6	405.6	441.8
Mississippi	247.0	226.9	256.3	262.0	503.4	488.9
Arkansas	343.9	325.5	310.8	326.3	654.7	651.9
Louisiana	150.1	133.4	152.5	263.2	302.7	396.6
Oklahoma	515.3	379.5	209.8	202.5	725.1	581.9
Texas	1,369.1	1,104.6	1,164.7	686.4	2,533.7	1,791.0
WESTERN						
Montana	134.4	107.6	263.4	213.3	397.8	320.9
Idaho	185.1	160.6	377.2	226.4	562.3	386.9
Wyoming	82.0	61.2	22.6	17.3	104.6	78.5
Colorado	664.0	599.3	169.9	155.0	833.9	754.3
New Mexico	159.6	134.8	42.6	37.7	202.3	172.5
Arizona	278.6	261.0	191.3	224.0	469.9	485.0
Utah	87.3	76.9	22.4	30.8	109.7	107.7
Nevada	42.9	38.0	10.6	10.1	53.5	48.1
Washington	199.7	177.7	380.2	299.3	579.9	477.0
Oregon	144.6	131.9	145.7	112.8	290.3	244.7
California	1,172.1	1,138.7	1,374.1	1,300.0	2,546.2	2,438.8
Alaska	1.1	1.2	.2	.2	1.4	1.4
Hawaii	25.0	25.1	239.5	173.7	264.6	198.8
UNITED STATES						
Grand total	18,588.5	16,637.2	16,209.0	15,020.8	34,797.6	31,658.0

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. ³ Rounded data may not add.

Cash receipts from farming	1974									1975				
	Annual	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
Farm marketings and CCC loans: ¹	93,521	5,830	6,056	7,395	7,444	8,043	11,767	10,044	7,975	8,818	5,808	5,759	5,571	5,702
Livestock and products	41,424	3,490	2,884	3,227	3,424	3,251	3,719	3,206	3,125	3,339	3,011	3,157	3,436	3,694
Meat animals	25,257	2,077	1,614	1,941	2,139	1,979	2,367	1,916	1,785	2,025	1,789	1,822	2,130	2,300
Dairy products	9,399	883	788	748	723	704	735	719	745	755	719	811	807	845
Poultry and eggs	6,285	476	436	496	526	534	582	540	559	523	469	493	461	510
Other	483	54	46	42	36	34	35	31	36	36	35	31	38	39
Crops	52,097	2,340	3,172	4,168	4,020	4,792	8,048	6,838	4,850	5,479	2,797	2,602	2,135	2,008
Food grains	9,276	299	782	1,178	938	1,249	1,535	633	531	735	346	268	244	248
Feed crops	13,882	683	1,028	1,183	1,186	1,013	1,791	1,674	1,214	2,022	958	714	569	554
Cotton (lint and seed)	2,975	51	18	27	58	92	502	659	463	326	145	134	261	160
Tobacco	2,146	21	8	171	324	383	314	311	439	205	17	1	11	15
Oil-bearing crops	9,604	388	392	533	425	576	2,240	1,505	693	1,361	624	681	236	272
Vegetables and melons	5,358	368	411	449	535	754	807	423	254	277	237	277	285	300
Fruits and tree nuts	3,476	227	316	343	287	379	423	377	315	196	199	221	202	204
Other	5,380	303	217	284	267	346	436	1,256	941	357	271	306	327	255
Government payments	530	8	16	24	35	60	109	84	125	140	150	96	57	32
Total cash receipts ²	94,051	5,838	6,072	7,419	7,479	8,103	11,876	10,128	8,100	8,958	5,958	5,855	5,628	5,734

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add to totals because of rounding.

Prices received and paid by farmers, U.S. average	1974									1975				
	Annual	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
1967=100														
Prices received														
All farm products	184	166	176	185	181	186	182	178	172	168	165	170	178	182
All crops	214	202	206	220	219	230	225	214	201	192	185	188	189	192
Food grains	299	259	285	272	277	308	312	297	266	259	241	243	230	199
Feed grains and hay	242	213	233	269	268	282	279	273	259	241	226	231	234	228
Feed grains	246	213	237	277	275	291	289	282	266	245	228	232	232	226
Cotton	227	217	227	218	243	228	223	194	163	144	150	142	161	163
Tobacco	148	138	137	154	161	166	164	167	163	166	166	166	166	166
Oil-bearing crops	230	191	216	259	254	284	267	254	231	214	195	203	189	186
Fruit	143	155	142	156	153	160	138	127	135	132	140	141	154	161
Fresh market	141	162	140	155	151	160	133	119	126	124	134	135	155	164
Commercial vegetables	144	152	143	145	147	158	158	154	163	171	162	169	163	190
Fresh market	156	169	154	145	145	164	168	159	170	188	172	179	174	219
Potatoes, sweetpotatoes, and dry edible beans	293	349	297	255	210	207	204	187	183	174	168	177	191	287
Livestock and products	164	142	156	161	155	156	153	153	153	151	152	157	171	176
Meat animals	165	142	163	170	152	151	145	146	145	144	146	159	182	190
Dairy products	160	148	146	148	155	159	162	158	159	159	157	155	154	153
Poultry and eggs	162	127	137	148	167	167	173	177	176	170	168	153	158	158
Wool	146	150	154	132	123	125	115	109	102	89	83	99	120	124
Prices paid for commodities and services, interest, taxes, and wage rates	169	166	168	173	175	177	179	180	180	180	179	182	183	185
Prices paid	167	164	166	172	175	175	178	179	178	177	176	179	181	183
Family living items	161	160	161	164	166	167	171	173	173	175	173	173	175	176
Production items	172	168	170	178	182	183	183	184	182	180	179	185	187	190
Feed	192	172	178	208	204	211	210	207	202	192	182	185	185	183
Feeder livestock	144	129	134	138	122	119	112	113	105	103	109	123	133	140
Interest per acre on farm real estate debt	222	222	222	222	222	222	222	222	263	263	263	263	263	263
Taxes per acre on farm real estate	150	150	150	150	150	150	150	150	156	156	156	156	156	156
Wage rates (seasonally adjusted)	176	171	176	176	176	185	185	185	187	187	187	189	189	189
Production items, interest, taxes, and wage rates	174	170	172	179	181	184	185	185	185	183	183	187	189	191
Prices received (1910-14=100)	467	422	447	470	460	473	463	451	438	427	420	431	452	463
Prices paid, etc. (1910-14=100)														
(Parity index)	578	568	574	591	599	606	613	616	617	615	612	621	627	633
Parity ratio	81	74	78	80	77	78	76	73	71	70	69	69	72	73

Prices received by farmers	1974								1975					
	Annual	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Crops														
All wheat, (\$/bu.)	4.48	3.57	4.04	4.24	4.32	4.85	4.87	4.65	4.11	3.95	3.65	3.69	3.47	2.92
Rice, (rough), (\$/bu.)	¹ 13.81	17.50	---	9.67	9.85	10.25	11.10	10.50	10.30	10.80	10.60	10.50	10.40	10.40
Corn, (\$/bu.)	2.92	2.57	2.91	3.37	3.30	3.45	3.32	3.27	3.07	2.86	2.67	2.68	2.66	2.68
Sorghum (\$/cwt.)	4.59	3.59	4.15	5.07	5.30	5.78	5.85	5.33	4.96	4.21	4.03	4.15	4.21	4.15
All hay, baled, (\$/ton)	49.10	47.70	48.20	51.10	51.90	51.50	50.30	50.70	50.10	49.30	49.70	52.40	56.30	53.60
Soybeans, (\$/bu.)	6.42	5.13	6.11	7.55	7.32	8.17	7.44	7.03	6.30	5.72	5.31	5.61	5.00	4.90
Cotton, Upland (cts./lb.)	51.30	51.50	49.40	53.60	54.90	51.40	50.40	43.80	37.00	32.60	33.90	32.20	36.30	36.90
Potatoes, (\$/cwt.)	5.58	6.52	5.87	4.96	4.12	3.89	3.92	3.45	3.32	3.17	2.94	3.25	3.69	6.16
Dry edible beans, (\$/cwt.)	32.28	38.20	29.90	27.20	21.40	23.10	20.90	20.20	20.20	18.40	18.80	17.70	16.90	18.50
Apples for fresh use, (cts./lb.)	11.36	13.90	12.80	11.20	12.30	11.40	10.70	10.20	9.80	9.90	11.30	11.00	14.50	15.30
Pears for fresh use, (\$/ton)	¹ 207.55	---	235.00	212.00	213.00	192.00	196.00	183.00	154.00	146.00	135.00	166.00	158.00	---
Oranges, (\$/box)	1.86	1.83	1.67	2.16	2.25	2.86	1.92	1.43	1.29	1.34	1.49	1.61	1.80	1.86
Grapefruit, (\$/box)	1.72	1.90	1.20	2.29	1.47	2.40	1.87	1.77	1.69	1.70	1.72	1.77	2.39	1.13
Livestock														
Beef cattle, (\$/cwt.)	35.60	32.60	35.30	37.00	32.60	30.60	28.20	27.70	27.60	26.90	27.80	31.80	36.50	38.50
Calves, (\$/cwt.)	35.20	37.40	36.00	34.30	30.10	27.70	25.70	25.00	23.90	24.30	24.70	26.80	29.50	29.70
Hogs, (\$/cwt.)	34.20	24.20	34.30	36.00	33.70	37.10	36.80	38.30	38.20	38.40	38.30	39.30	45.10	47.30
Lambs, (\$/cwt.)	37.00	42.70	37.90	37.50	33.20	33.20	35.20	36.10	36.90	38.10	39.90	42.70	45.40	45.10
All milk, sold to plants (\$/cwt.) ²	8.31	7.67	7.60	7.69	8.03	8.28	8.44	8.22	8.33	8.28	8.13	8.09	7.98	² 7.94
Milk, manuf. grade (\$/cwt.)	7.15	6.43	6.33	6.47	6.80	7.04	7.01	6.73	7.00	7.04	7.01	7.04	7.05	² 7.04
Broilers, (cts./lb.)	21.7	19.0	20.5	20.9	22.8	22.8	24.2	21.9	24.2	24.6	23.7	23.4	24.6	27.4
Eggs, (cts./doz.) ³	52.9	39.8	43.8	47.8	54.8	54.9	55.4	59.0	57.1	54.3	54.1	47.4	47.6	45.7
Turkeys, (cts./lb.)	28.8	23.6	23.0	27.1	27.3	28.0	30.8	33.4	31.8	30.8	30.3	28.7	30.8	32.3
Wool, (cts./lb.) ⁴	59.1	59.7	61.1	52.5	48.7	49.6	45.8	43.5	40.5	35.3	33.1	39.1	47.6	49.1

¹ Eleven month average. ² Preliminary. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments.

Wholesale Price Index U.S. average (not seasonally adjusted)	1974								1975					
	Annual	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	1967=100													
All commodities	160.1	155.7	161.7	167.4	167.2	170.2	171.9	171.5	171.8	171.3	170.4	172.1	173.2	173.7
Industrial commodities	153.8	153.6	157.8	161.6	162.9	164.8	165.8	166.1	167.5	168.4	168.9	169.7	170.3	170.7
All foods	174.4	163.4	172.6	176.9	178.2	182.0	192.3	189.2	188.4	185.6	180.4	181.9	182.4	184.3
Farm products	187.7	168.6	180.8	189.2	182.7	187.5	187.8	183.7	179.7	174.6	171.1	177.7	184.5	186.2
Eggs	160.6	124.7	132.0	149.6	169.8	167.8	164.9	181.1	168.7	162.4	166.3	140.0	145.5	137.9
Fresh and dried fruits and vegetables	192.3	204.4	186.9	162.6	163.2	166.2	186.9	163.7	174.9	169.0	163.8	183.4	183.1	206.7
Processed foods and feeds	170.9	157.4	167.6	179.7	176.8	183.5	189.7	188.2	186.4	182.6	177.3	179.4	179.0	179.7
Meats	159.6	135.7	165.0	169.1	161.3	160.2	155.4	156.0	161.9	159.0	159.0	171.6	189.8	199.3
Beef and veal	158.6	140.6	166.1	172.4	159.3	149.6	140.6	139.8	148.2	142.7	143.7	167.7	189.4	202.3
Pork	162.3	125.2	171.3	173.9	169.9	178.2	172.9	176.6	183.7	181.8	180.4	181.9	201.7	206.5
Poultry	157.3	138.1	150.6	150.4	170.3	158.5	172.1	165.5	169.7	170.5	164.6	165.9	175.1	186.5
Fish	204.6	198.3	205.4	197.9	196.8	192.1	190.6	194.7	193.1	206.5	203.2	208.3	216.8	217.5
Dairy	146.4	142.9	141.7	142.4	144.8	146.4	146.8	146.7	148.3	148.5	148.6	148.9	149.6	150.5
Processed fruits and vegetables	154.6	148.3	157.7	162.7	165.6	170.0	171.1	170.1	171.2	170.9	169.5	170.8	171.0	170.9
Cereal and bakery products	171.2	166.0	168.9	169.3	169.7	176.2	179.7	181.9	182.3	183.6	181.9	179.1	176.2	174.4
Sugar and confectionery	258.9	240.7	246.7	270.4	297.9	315.3	419.8	401.4	358.2	347.3	303.0	280.1	239.6	217.8
Beverages	140.7	138.4	143.6	146.2	147.8	152.6	154.2	158.2	162.6	162.2	162.2	161.7	161.0	160.4

Consumer Price Index U.S. average (not seasonally adjusted)	1974								1975					
	Annual	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
	1967=100													
Consumer price index, all items	147.7	146.9	148.0	149.9	151.7	153.0	154.3	155.4	156.1	157.2	157.8	158.6	159.3	160.6
Consumer price index, less food	143.6	142.9	144.4	146.1	147.8	149.1	150.4	151.3	151.8	153.0	153.9	154.9	155.6	156.6
All food	161.7	160.3	160.5	162.8	165.0	166.1	167.8	169.7	170.9	171.6	171.3	171.2	171.8	174.4
Food away from home	159.4	158.6	160.4	161.9	163.1	164.7	166.2	167.6	169.0	170.5	171.3	172.2	172.8	173.1
Food at home	162.4	160.9	160.6	163.0	165.5	166.5	168.3	170.3	171.4	172.0	171.4	171.0	171.6	174.9
Meats	164.1	154.8	154.0	162.8	166.7	163.5	163.0	161.7	161.9	160.9	159.7	160.2	167.9	177.8
Beef and veal	168.5	163.9	161.0	169.0	172.9	166.8	163.7	160.1	158.5	156.6	153.3	154.6	166.4	176.6
Pork	161.0	141.2	145.9	158.8	164.8	164.0	166.8	167.1	170.0	169.6	170.5	170.0	175.6	187.9
Poultry	146.9	135.8	136.2	140.8	148.1	147.0	150.9	154.9	152.8	152.0	151.8	148.9	149.8	157.7
Fish	187.7	187.1	188.2	187.4	188.6	190.4	193.6	194.8	195.7	197.2	197.1	197.3	199.1	200.4
Eggs	160.8	128.4	127.8	146.0	162.2	172.2	172.6	172.6	172.6	172.1	153.5	158.2	144.6	137.2
Dairy products	151.9	153.8	151.6	150.7	151.1	151.7	152.7	155.3	155.2	155.6	155.4	154.8	153.6	153.3
Fats and oils	195.3	188.0	186.8	196.2	217.3	223.7	230.7	231.9	214.7	214.9	213.1	209.7	203.0	195.8
Fruits and vegetables	165.8	183.1	178.7	168.2	162.9	162.4	164.3	161.3	163.5	166.7	167.4	167.8	169.0	177.4
Fresh	162.6	190.3	182.9	162.9	152.7	151.6	154.7	149.6	153.6	159.2	159.9	160.9	164.7	179.0
Processed	170.6	172.3	172.6	176.0	178.2	178.4	178.7	178.7	178.3	177.9	178.7	178.2	175.4	175.0
Cereals and bakery products	166.1	165.3	166.7	168.2	170.4	174.7	177.6	181.7	185.3	187.3	189.1	188.9	187.0	185.2
Sugar and sweets	195.2	184.1	195.1	203.4	212.1	226.5	245.2	279.0	281.0	273.9	269.5	255.7	246.0	236.8
Beverages	155.6	153.8	158.1	163.8	166.5	169.2	170.2	172.7	175.3	177.0	177.8	178.0	175.3	174.9

Farm-retail price spreads	1974								1975					
	Annual	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Market basket:														
Retail cost (1967=100)	161.9	160.2	159.7	162.0	164.3	164.6	166.4	167.8	168.7	169.3	168.5	168.2	169.1	172.9
Farm value (1967=100)	177.6	165.7	172.7	180.4	178.5	182.3	182.2	178.3	173.5	173.5	171.4	175.7	182.2	190.8
Farm-retail spread (1967=100)	152.0	156.8	151.4	150.4	155.1	153.4	155.8	161.2	165.7	166.6	166.7	163.5	160.8	161.6
Farmer's share (%)	43	40	42	43	42	43	43	41	40	40	39	40	42	43
Beef, choice:														
Retail price ² (cts./lb.)	138.8	132.2	137.9	143.4	141.6	136.8	134.4	132.2	132.8	129.0	127.0	133.9	147.8	157.8
Carcass value ³ (cts.)	97.4	90.2	103.4	106.6	96.2	93.4	89.8	87.5	88.8	84.7	86.3	101.2	115.9	123.2
Net farm value ⁴ (cts.)	86.1	77.7	90.9	97.7	85.2	82.0	78.7	77.1	76.6	73.2	75.7	89.9	103.9	110.2
Farm-retail spread (cts.)	52.7	54.5	47.0	45.7	56.4	54.8	55.7	55.1	56.2	55.8	51.3	44.0	43.9	47.6
Carcass-retail spread ⁵ (cts.)	41.4	42.0	34.5	36.8	45.4	43.4	44.6	44.7	44.0	44.3	40.7	32.7	31.9	34.6
Farm-carcass spread ⁶ (cts.)	11.3	12.5	12.5	8.9	11.0	11.4	11.1	10.4	12.2	11.5	10.6	11.3	12.0	13.0
Farmer's share (%)	62	59	66	68	60	60	59	58	58	57	60	67	70	70
Pork:														
Retail price ² (cts./lb.)	108.2	93.7	103.7	108.7	109.9	109.0	111.4	112.7	114.9	114.8	113.6	115.7	123.0	130.5
Carcass value ³ (cts.)	77.4	64.1	77.0	78.5	77.2	81.4	83.6	85.6	84.2	86.0	86.8	88.3	97.3	104.6
Net farm value ⁴ (cts.)	60.8	47.0	62.2	64.7	61.6	66.1	65.2	68.5	67.1	68.9	68.8	71.0	82.5	91.1
Farm-retail spread (cts.)	47.4	46.7	41.5	44.0	48.3	42.9	46.2	44.2	47.8	45.9	44.8	44.7	40.5	39.4
Carcass-retail spread ⁵ (cts.)	30.8	29.6	26.7	30.2	32.7	27.6	27.8	27.1	30.7	28.8	26.8	27.4	25.7	25.9
Farm-carcass spread ⁶ (cts.)	16.6	17.1	14.8	13.8	15.6	15.3	18.4	17.2	17.1	17.1	18.0	17.3	14.8	13.5
Farmer's share (%)	56	50	60	60	56	61	59	61	58	60	61	61	67	70
Milk, fresh:														
Retail price (cts./½gal.)	78.4	79.9	78.4	77.5	77.3	77.5	77.6	79.2	79.4	79.2	78.9	78.5	77.4	77.2
Farm value (cts.)	40.9	42.7	40.4	39.6	38.9	39.0	40.1	40.7	40.0	40.2	39.8	39.9	39.8	39.9
Farm-retail spread (cts.)	37.5	37.2	38.0	37.9	38.4	38.5	37.5	38.5	39.4	39.0	39.1	38.6	37.6	37.3
Farmer's share (%)	52	53	52	51	50	50	52	51	50	51	50	51	51	52
Chicken:														
Retail price (cts./lb.)	56.0	51.2	51.8	53.5	57.0	56.2	58.2	60.4	59.3	58.6	58.8	57.6	57.9	61.4
Farm value (cts.)	31.5	27.9	29.9	30.6	33.7	34.1	34.1	33.3	32.3	33.6	33.4	33.7	33.3	37.1
Farm-retail spread (cts.)	24.5	23.3	21.9	22.9	23.3	22.1	24.1	27.1	27.0	25.0	25.4	23.9	24.6	24.3
Farmer's share (%)	56	54	58	57	59	61	59	55	54	57	57	59	58	60
Eggs, large grade A														
Retail price (cts./doz.)	78.3	62.5	62.3	71.1	79.0	83.9	81.0	84.1	84.2	83.9	74.9	77.2	70.6	66.9
Farm value (cts.)	53.2	38.8	40.5	47.6	55.6	58.1	54.1	58.4	56.9	56.9	47.9	47.7	45.2	40.9
Farm-retail spread (cts.)	25.1	23.7	21.8	23.5	23.4	25.8	26.9	25.7	27.3	27.0	27.0	29.5	25.4	26.0
Farmer's share (%)	68	62	65	67	70	69	67	69	68	68	64	62	64	61
Bread, white:														
Retail price (cts./lb.)	34.5	34.7	34.8	34.6	34.8	35.6	35.8	36.4	37.2	37.4	37.3	36.8	36.2	35.6
Farm value, wheat (cts.)	5.4	4.5	5.1	4.8	5.3	5.7	5.9	5.5	4.9	4.8	4.4	4.4	4.1	3.6
Farm value, all ⁷ (cts.)	7.9	6.8	7.6	7.4	7.9	8.6	9.4	8.8	7.9	7.7	7.0	6.9	6.2	5.6
Farm-retail spread (cts.)	26.6	27.9	27.3	27.2	26.9	27.0	26.4	27.6	29.3	29.7	30.3	29.9	30.0	30.0
Farmer's share (%)	23	20	22	21	23	24	26	24	21	21	19	19	17	16
Lettuce:														
Retail price (cts./head)	42.3	51.5	49.5	39.4	41.8	42.7	51.8	43.9	39.5	48.5	40.3	38.0	39.2	42.0
Farm value (cts.)	13.2	15.3	15.8	10.2	10.9	16.6	19.9	11.8	19.0	14.2	11.6	12.9	9.4	9.9
Farm-retail spread (cts.)	29.1	36.2	33.7	29.2	30.9	26.1	31.9	32.1	20.5	34.3	28.7	25.1	29.8	32.1
Farmer's share (%)	31	30	32	26	26	39	38	27	48	29	29	34	24	24
Potatoes:														
Retail price (cts./10-lbs.)	166.4	234.5	201.9	151.7	123.3	120.1	121.2	118.4	112.7	111.1	104.2	100.3	112.0	135.0
Farm value (cts.)	59.4	67.9	61.1	51.7	42.9	40.5	40.8	35.9	34.6	33.0	30.6	33.9	38.4	64.2
Farm-retail spread (cts.)	107.0	166.6	140.8	100.0	80.4	79.6	80.4	82.5	78.1	78.1	73.6	66.4	73.6	70.8
Farmer's share (%)	36	29	30	34	35	34	34	30	31	30	29	34	34	48
Tomatoes:														
Retail price (cts./lb.)	54.8	63.8	58.9	45.3	44.7	44.2	53.0	60.8	60.0	61.9	62.0	56.8	55.1	66.6
Farm value (cts.)	21.0	24.7	20.7	18.9	14.6	16.5	27.6	21.3	22.0	30.3	21.4	19.5	20.0	36.5
Farm-retail spread (cts.)	33.8	39.1	38.2	26.4	30.1	27.7	25.4	39.5	38.0	31.6	40.6	37.3	35.1	30.1
Farmer's share (%)	38	39	35	42	33	37	52	35	37	49	35	34	36	55
Orange juice, frozen concentrate:														
Retail price (cts./6-oz. can)	25.8	25.7	25.8	25.9	26.0	26.7	26.9	26.8	27.4	27.9	28.0	28.1	27.9	27.9
Farm value (cts.)	8.9	9.3	9.3	9.3	9.3	9.3	9.3	9.3	9.0	8.7	8.7	8.3	7.9	8.0
Farm-retail spread (cts.)	16.9	16.4	16.5	16.6	16.7	17.4	17.6	17.6	18.4	19.2	19.3	19.8	20.0	19.9
Farmer's share (%)	34	36	36	36	36	35	35	35	33	31	31	30	28	29
Margarine:														
Retail price (cts./lb.)	57.4	54.6	54.4	57.4	63.6	66.3	69.1	70.5	71.4	70.8	69.7	67.4	63.4	60.4
Farm value (cts.)	27.7	24.2	28.0	32.5	34.5	33.6	34.4	29.4	27.5	25.1	22.9	24.1	20.3	17.7
Farm-retail spread (cts.)	29.7	30.4	26.4	24.9	29.1	32.7	34.7	41.1	43.9	45.7	46.8	43.3	43.1	42.7
Farmer's share (%)	48	44	51	57	54	51	50	42	39	35	33	36	32	29

¹For a market basket of farm food and selected items. The market basket represents the average quantities of U.S. farm-originated foods purchased annually per household in 1960-61. Retail prices are from Bureau of Labor Statistics unless otherwise noted. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. See table 13, May 1975 issue of the *Marketing and Transportation Situation for farm product equivalents for individual items*. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods. Data are preliminary. ²Composite

monthly average prices of all cuts adjusted for volume sold at special prices—derived from BLS and food chain prices. ³For a quantity equivalent to 1 lb. retail cuts: Beef, 1.41 lb. of carcass beef (1975 data based on yield grade 3); pork, 1.07 lb. of wholesale cuts. ⁴Payments to farmer for quantity of live animal equivalent to 1 retail pound less value of byproducts: Beef, 2.28 lb. and pork, 1.97 lb. ⁵Includes not only gross margin for retailing but also charges made for other marketing services such as fabricating, wholesaling and in-city transportation. ⁶Measures charges made for livestock marketing, processing, and transportation to city where consumed. ⁷Includes wheat and other farm ingredients.

Meat animals	1974		1975					
	Annual	June	Jan.	Feb.	Mar.	Apr.	May	June
Indicators:								
7-State cattle on feed report:								
Number on feed (thous. head)		7,885	6,369	6,050	5,463	5,577	5,589	5,841
Placed on feed (thous. head)	15,331	801	1,159	768	1,518	1,383	1,532	1,380
Marketings (thous. head)	17,376	1,540	1,382	1,296	1,316	1,260	1,172	1,148
Beef steer-corn price ratio, Omaha	13.7	13.7	11.6	12.2	12.9	14.8	17.6	18.2
Hog-corn price ratio, Omaha	11.3	10.0	12.6	14.1	14.3	14.1	16.4	17.9
Commercial slaughter (thous. head)								
Cattle	36,812	2,866	3,506	3,082	3,132	3,206	3,149	
Steers	19,680	1,714	1,707	1,569	1,610	1,584	1,505	
Heifers	8,798	668	852	777	777	785	756	
Cows	7,514	421	873	672	676	757	794	
Bulls and stags	820	63	74	64	69	80	94	
Calves	2,987	175	375	330	361	384	371	
Sheep and lambs	8,847	601	682	586	675	652	636	
Hogs	81,762	6,268	6,759	5,892	6,105	6,731	5,693	
Commercial production (mil. lb.)								
Beef	22,844	1,840	2,100	1,843	1,890	1,894	1,849	
Veal	442	27	59	50	56	60	59	
Lamb and mutton	454	29	35	31	35	34	31	
Pork	13,583	1,050	1,113	954	976	1,100	925	
Market prices:								
Dollars per 100 pounds								
Slaughter cattle:								
Steers:								
Omaha								
Prime, 1100-1300 lb.	42.66	38.02	37.12	35.74	37.24	44.51	51.59	55.26
Choice, 900-1100 lb.	41.89	37.98	36.34	34.74	36.08	42.80	49.48	51.82
Good, 900-1100 lb.	38.71	33.54	33.09	31.43	32.93	38.92	44.00	45.85
California, Choice 900-1100 lb.	43.72	39.69	39.65	37.19	38.81	45.95	52.00	53.94
Colorado, Choice 900-1100 lb.	42.56	38.16	36.65	34.52	36.21	43.95	51.35	53.86
Cows, Omaha								
Commercial	25.45	26.15	16.86	18.19	19.54	21.87	23.59	23.55
Utility	25.56	26.39	16.82	18.18	19.45	21.67	23.55	23.32
Cutter	23.90	25.00	15.00	16.02	17.25	18.98	19.64	19.94
Canner	22.11	23.04	12.96	13.58	14.99	16.51	16.43	16.91
Vealers, Choice, S. St. Paul	49.63	48.35	36.88	40.25	38.90	46.84	40.56	39.15
Feeder cattle:								
Kansas City								
Choice, 400-500 lb.	40.84	39.96	25.09	26.29	29.14	31.45	34.66	35.82
Choice, 600-700 lb.	37.88	35.10	26.45	26.96	28.75	31.69	35.50	36.81
Good, 600-700 lb.	33.96	31.79	21.75	23.19	24.34	26.54	29.45	30.16
All weights and grades	36.49	33.16	26.79	26.82	27.86	30.73	34.87	33.52
Amarillo								
Good, 600-700 lb.	32.42	28.06	22.33	21.56	24.08	27.33	29.81	32.75
Slaughter hogs:								
Barrows and Gilts No. 1 & 2, Omaha								
200-220 lb.	36.83	29.89	39.68	40.20	40.17	41.54	47.56	52.19
220-240 lb.	36.85	29.78	39.79	40.26	40.20	41.57	47.51	52.26
Barrows and Gilts, Sioux City	34.75	27.29	38.69	39.69	39.59	40.74	46.42	51.31
Barrows and Gilts, 7 markets	35.12	27.40	38.93	39.61	39.52	40.69	46.44	51.19
Feeder pigs:								
U.S. No. 1 & 2, So. Missouri 40-50 lb.	25.13	17.31	30.10	35.75	39.75	43.05	44.00	44.65
Sows, 7 markets	29.92	21.37	35.01	36.52	36.58	37.00	41.12	44.28
Sheep and lambs:								
Slaughter:								
Lambs, Choice, San Angelo	40.41	46.25	38.25	39.31	46.50	46.65	47.62	46.06
Lambs, Choice, So. St. Paul	39.50	46.81	37.72	40.42	42.44	44.18	50.18	45.94
Ewes, Good, San Angelo	15.74	14.50	14.12	15.56	17.25	18.40	15.44	15.38
Ewes, Good, So. St. Paul	9.20	8.07	6.25	7.00	8.12	8.88	9.42	9.83
Feeder Lambs:								
Choice, San Angelo	35.96	37.08	34.12	35.31	37.38	43.65	43.00	39.69
Choice, So. St. Paul	33.26	36.80	34.31	34.78	36.74	37.00	37.79	37.35
Meat:								
Wholesale, Chicago								
Choice steer beef, 600-700 lb.	67.76	62.18	61.36	58.41	59.50	70.20	80.60	85.76
Choice heifer beef, 500-600 lb.	66.59	61.32	60.63	57.63	58.48	68.66	78.92	85.03
Canner and Cutter cow beef	53.48	55.09	36.97	39.62	41.84	44.07	46.44	46.64
Pork loins, 8-14 lb.	73.60	67.85	79.25	76.53	74.79	78.63	92.49	102.04
Pork bellies, 12-14 lb.	52.04	33.88	60.55	62.23	62.39	68.56	73.27	82.21
Hams, skinned, 14-17 lb.	64.11	49.98	68.80	71.18	70.67	67.56	74.89	79.91
East Coast:								
Lamb, Choice and Prime, 35-45 lb.	83.33	92.66	87.05	88.31	90.56	93.87	97.13	96.75
Lamb, Choice and Prime, 55-65 lb.	76.01	68.80	84.28	86.25	89.44	93.07	97.13	96.50
Steer Beef, Choice 600-700 lb.	69.08	63.72	64.05	60.34	61.09	71.07	82.09	88.01
West Coast:								
Beef, Choice 600-700 lb.	70.37	65.73	63.88	61.94	62.90	73.08	83.38	89.16

Poultry and eggs	1974		1975				
	Annual	June	Feb.	Mar.	Apr.	May	June
Eggs							
Farm production (mil.)	65,868	5,449	4,995	5,500	5,271	5,402	5,211
Average number of layers on farms (mil.)	286	281	282	279	275	272	270
Rate of lay per layer	23.1	19.4	17.7	19.7	19.2	19.9	19.3
Frozen egg production (mil. lb.)	359.8	37.0	20.2	19.9	24.0		
Dried egg production (mil. lb.)	72.1	7.5	3.2	3.2	4.4		
New York wholesale price, grade A large (cts./doz.)	58.2	42.8	55.4	59.2	50.2	49.3	50.6
Price paid for laying feed (\$/ton)	153	137	151	143	146	145	144
Egg-feed price ratio (lb.)	7.0	5.8	7.2	7.6	6.5	6.6	6.3
Stocks, first of month:							
Shell (thou. cases)		86	35	48	32	25	68
Frozen (mil. lb.)		50.0	53.8	51.8	47.0	43.6	44.8
Replacement chicks hatched (mil.)	473.4	43.4	37.3	46.0	48.1	48.4	40.9
Broilers							
Federally inspected slaughter, certified (mil. lb.)	7,916.8	687.2	570.2	616.6	688.3	690.1	
9-city wholesale price (cts./lb.)	38.2	34.1	41.4	40.7	40.1	42.9	48.1
Broiler-feed price (\$/ton)	167	151	167	161	164	161	162
Broiler-feed price ratio (lb.)	2.6	2.5	2.9	2.9	2.9	3.1	3.4
Stocks, first of month (mil.)		37.5	33.0	33.8	28.8	28.5	24.3
Average weekly placement of broiler chicks in 21 States (mil.)	2,941.9	61.1	56.9	59.3	60.2	59.9	60.6
Turkeys							
Federally inspected slaughter, certified (mil. lb.)	1,835.8	159.7	47.1	54.4	68.7	81.9	
New York wholesale price, 8-16 lb. young hens (cts./lb.)	47.2	37.4	46.9	47.3	48.3	51.6	53.4
Turkey feed price (\$/ton)	168	153	168	161	165	164	165
Turkey-feed price ratio (lb.)	3.2	3.1	3.7	3.8	3.5	3.8	3.9
Stocks, first of month (mil. lb.)		227.4	267.0	240.2	207.1	177.6	159.6

¹ St. Louis N.S.Y. = Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis. ² Bushels of No. 2 Yellow Corn equivalent in value to 100 pounds liveweight.

Dairy	1974		1975					
	Annual	June	Jan.	Feb.	Mar.	Apr.	May	June
Milk:								
Production:								
Total milk (mil. lb.)	115,416	10,563	9,301	8,775	10,023	10,121	10,789	10,460
Milk per cow (lb.)	10,286	943	830	784	897	906	968	938
Number of milk cows (thous.)	11,221	11,206	11,204	11,192	11,176	11,176	11,150	11,147
Prices:								
Minnesota-Wisconsin 3.5% fat (\$/cwt.)	7.06	6.31	6.80	6.85	6.86	6.94	7.02	7.11
Ration price and price ratios:								
Dairy ration 16% protein (\$/ton)	138	123	148	137	130	134	132	130
Milk-feed price ratio	1.33	1.36	1.25	1.33	1.38	1.36	1.36	1.36
Wholesale price index: 1967=100	146.4	142.9	148.3	148.5	148.6	148.9	149.6	
Stocks, end of period:								
Total milk equivalent (mil. lb.)	5,886	8,174	5,872	5,775	5,640	5,708	6,203	
Commercial (mil. lb.)	5,576	7,800	5,528	5,312	5,025	5,024	5,139	
Government (mil. lb.)	310	374	344	464	615	684	1,064	
Imports:								
Total milk equivalent (mil. lb.)	2,932	111	197	72	79	80	72	
USDA net removals:								
Total milk equivalent (mil. lb.)	1,345.5	291.9	254.2	458.4	417.7	412.5	558.9	245.9
Butter:								
Production (mil. lb.)	961.7	95.2	97.4	90.4	96.3	100.9	101.6	
Stocks, end of period (mil. lb.)	49.2	117.5	54.5	61.3	60.5	66.5	85.1	
Price, wholesale, Grade A, Chicago (cts./lb.)	65.7	60.6	66.8	68.1	68.1	69.2	69.2	
USDA net removals, (mil. lb.)	32.7	13.0	6.9	16.7	13.7	14.6	21.8	8.4
Commercial disappearance (mil. lb.)	929.9	70.7	88.4	72.4	89.9	84.0	78.6	
American cheese:								
Production (mil. lb.)	1,858.6	188.3	130.6	122.1	144.1	152.9	168.4	
Stocks, end of period (mil. lb.)	420.9	486.6	413.5	393.1	385.6	379.9	383.1	
Price, wholesale, Wis. Assem. Pts. (cts./lb.)	79.9	71.1	74.8	76.9	77.4	78.8	80.6	
USDA removals (mil. lb.)	60.3	.9	10.9	11.0	13.1	10.9	10.6	6.8
Commercial disappearance (mil. lb.)	1,780.6	156.2	128.9	132.1	140.3	147.1	156.4	
Nonfat dry milk:								
Production (mil. lb.)	1,019.9	138.1	83.5	81.6	95.9	111.5	131.4	
Stocks, end of period (mil. lb.)	293.2	196.1	310.2	316.3	335.4	328.8	379.7	
Price, wholesale, avg. manf. (cts./lb.)	58.6	57.5	58.8	60.0	60.7	60.3	60.2	
USDA removals (mil. lb.)	265.0	29.5	38.8	46.1	54.0	72.5	73.9	84.2
Commercial disappearance (mil. lb.)	809.9	75.6	57.0	43.7	41.9	45.4	50.2	
Cottage cheese¹:								
Production (mil. lb.)	977.4	81.3	81.7	78.7	87.7	89.9	93.2	
Frozen desserts²:								
Production (mil. gal.)	1,118.7	550.8	79.3	160.7	257.2	354.5	467.4	

¹ Including lowfat cottage cheese. ² Ice cream, ice milk, and sherbet.

Trade balance	July-May		May	
	1973/74	1974/75	1974	1975
	\$ mil.			
Agricultural exports	19,588.2	20,192.1	1,796.5	1,496.4
Nonagricultural exports	57,066.9	74,144.2	6,561.8	7,340.9
Total exports	76,655.1	94,336.3	8,358.3	8,837.3
Agricultural imports	8,706.9	8,751.0	890.1	688.4
Nonagricultural imports	65,289.9	84,892.5	7,925.0	6,625.8
Total imports	73,996.8	93,643.5	8,815.1	7,314.2
Agricultural trade balance	10,881.3	11,441.1	906.4	808.0
Nonagricultural trade balance	-8,223.0	-10,748.3	-1,363.2	715.1
Total trade balance	2,658.3	692.8	-456.8	1,523.1

Prices of principal U.S. agricultural trade products	1974						1975					
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Export commodities												
Wheat, f.o.b. Gulf ports (\$/bushel)	4.60	4.56	4.64	5.23	5.10	5.06	4.42	4.21	3.96	3.92	3.57	2.47
Corn, f.o.b. Gulf ports (\$/bushel)	3.36	3.70	3.59	3.85	3.66	3.78	3.31	3.18	3.13	3.10	2.94	3.07
Grain sorghum, f.o.b. Gulf ports (\$/bushel)	5.26	5.80	5.84	6.77	6.63	6.58	5.94	5.33	5.17	5.25	5.03	4.53
Soybeans, f.o.b. Gulf ports (\$/bushel)	7.02	8.05	7.85	8.56	7.74	7.59	6.70	5.94	5.89	6.06	5.50	5.46
Soybean oil, Decatur (cents/lb.)	40.50	43.30	40.70	42.30	40.40	38.00	33.60	29.40	29.10	28.20	23.60	23.3
Soybean meal, Decatur (\$/ton)	138.10	155.90	138.10	168.20	141.00	143.40	129.20	117.25	117.75	122.73	118.50	119.38
Cotton, 10 market average spot (cents/lb.)	55.30	50.36	47.65	44.59	39.96	36.91	36.10	36.44	37.81	40.43	41.73	42.77
Tobacco, avg. price of auction (cents/lb.)	86.10	98.20	107.20	103.80	103.50	106.50	103.70	106.00	106.30	106.30	106.10	106.00
Rice, f.o.b. mill, Houston (\$/cwt.)	31.50	22.50	21.00	20.90	22.40	21.75	22.50	22.40	22.25	22.25	22.25	22.25
Inedible tallow, Chicago (cents/lb.)	15.60	14.81	12.06	13.30	13.59	9.83	10.28	10.44	9.97	11.22	12.29	13.90
Import commodities												
Coffee, N.Y. spot (cents/lb.)	69.62	64.50	62.90	64.53	65.49	69.90	70.50	69.80	69.95	69.00	70.61	73.43
Sugar, N.Y. spot (cents/lb.)	28.35	32.60	33.71	38.83	57.30	46.74	40.15	36.07	28.52	26.07	19.27	15.96
Cow meat, f.o.b. port of entry (cents/lb.)	74.43	72.84	63.37	62.83	60.02	57.33	51.96	52.00	51.85	58.00	62.75	67.95
Rubber, N.Y. spot (cents/lb.)	35.4	34.7	31.8	31.2	27.0	30.6	20.9	30.0	29.30	29.00	29.50	29.50
Cocoa beans, N.Y. spot (cents/lb.)	106.7	107.7	106.4	115.1	104.2	85.4	86.1	87.2	81.50	72.90	61.20	63.60
Bananas, f.o.b. port of entry (\$/40 lb. box)	4.02	3.47	4.06	3.50	3.08	3.17	3.75	4.37	4.77	5.05	N.A.	5.15
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	1.11	1.17	1.30	1.44	1.53	1.50	1.49	1.54	1.58	1.62	1.63	1.75
Quantity Indices¹												
Export (1967=100)	160	124	114	137	176	160	190	155	151	149	129	N.A.
Import (1967=100)	114	106	95	91	100	112	127	112	118	120	110	N.A.
Unit Value Indices¹												
Export (1967=100)	211	218	225	233	251	248	250	240	233	222	219	N.A.
Import (1967=100)	199	209	216	227	231	240	263	236	234	226	220	N.A.

¹Quantity and unit value indices are for March 1975.

N.A. Not available.

U.S. agricultural exports by selected commodities	July-May				May			
	Quantity		Value		Quantity		Value	
	1973/74	1974/75	1973/74	1974/75	1974	1975	1974	1975
	Thousands	Thousands	1,000 dollars	1,000 dollars	Thousands	Thousands	1,000 dollars	1,000 dollars
Animals, live, ex. poultry	—	—	201,389	120,000	—	—	7,318	9,517
Meat and preparations, ex. poultry (lb.)	467,289	566,058	296,105	309,297	38,641	61,111	20,793	33,903
Dairy products, excluding eggs	—	—	58,861	126,260	—	—	6,708	34,531
Poultry and poultry products	—	—	132,234	122,030	—	—	11,163	13,448
Grains and preparations	—	—	9,557,564	10,198,776	—	—	804,819	709,324
Wheat and wheat flour (bu.)	1,080,134	948,869	4,425,655	4,597,072	58,595	69,512	297,296	328,843
Rice, milled (lb.)	3,181,340	4,499,824	684,059	906,909	233,339	436,983	52,107	81,564
Feed grains (mt.)	40,152	32,044	4,224,512	4,482,338	3,780	2,086	433,858	278,138
Other	—	—	223,338	212,457	—	—	21,558	20,779
Fruits, nuts, and preparations	—	—	691,726	727,292	—	—	56,233	69,235
Vegetables and preparations	—	—	372,002	506,898	—	—	35,000	46,445
Sugar and preparations, including honey (lb.)	355,047	424,731	46,685	92,138	60,131	47,965	8,060	13,824
Coffee, tea, cocoa, spices, etc. (lb.)	73,592	65,544	62,950	63,472	7,278	5,713	6,529	5,561
Feeds and fodders	—	—	1,286,892	943,456	—	—	98,912	63,801
Protein meal (s. ton)	4,896	4,373	1,038,144	681,767	443	232	76,747	36,880
Beverages, ex. distilled alcoholic bev. (gal.)	3,581	4,044	6,522	7,976	694	479	984	960
Tobacco, unmanufactured (lb.)	624,473	606,384	735,981	861,514	60,510	44,710	72,349	65,575
Hides, skins, and furskins	—	—	432,237	382,857	—	—	45,196	34,033
Oilseeds	—	—	3,261,761	3,105,611	—	—	309,617	183,210
Soybeans (bu.)	480,019	390,564	3,031,670	2,867,421	43,544	25,087	275,112	155,597
Wool, unmanufactured (lb., grease basis)	11,754	12,218	16,022	15,271	1,934	2,374	2,309	3,160
Cotton, unmanufactured (running bale)	5,564	3,634	1,184,762	932,163	605	381	143,635	86,678
Fats, oils, and greases (lb.)	2,421,802	2,480,309	463,363	456,223	311,211	169,725	71,944	28,715
Vegetable oils and waxes (lb.)	1,988,393	2,440,661	465,881	878,024	241,251	200,814	64,875	66,218
Rubber and allied gums (lb.)	39,442	36,544	13,873	19,737	3,031	4,187	1,462	2,486
Other	—	—	301,417	323,152	—	—	28,612	25,753
Total	—	—	19,588,227	20,192,147	—	—	1,796,518	1,496,377

U.S. agricultural imports by selected commodities	July-May				May			
	Quantity		Value		Quantity		Value	
	1973/74	1974/75	1973/74	1974/75	1974	1975	1974	1975
	Thousands	Thousands	1,000 dollars	1,000 dollars	Thousands	Thousands	1,000 dollars	1,000 dollars
Animals, live ex. poultry	---	---	203,510	87,704	---	---	15,625	7,241
Meat and preps., ex. poultry (lb.)	1,814,568	1,457,249	1,682,768	970,277	126,410	110,602	108,450	68,513
Beef and veal (lb.)	1,382,274	1,107,822	1,184,070	605,966	91,566	80,690	71,222	35,520
Pork (lb.)	369,535	311,290	444,603	330,926	30,012	26,384	32,747	30,595
Dairy products, excluding eggs	---	---	434,830	196,026	---	---	22,822	10,598
Poultry and poultry products	---	---	26,533	21,144	---	---	2,448	2,701
Grains and preparations	---	---	115,540	166,960	---	---	17,029	17,814
Wheat and wheat flour (bu.)	1,307	830	6,508	4,825	1,035	5	4,860	32
Rice (lb.)	11,326	2,350	1,490	715	1,337	70	362	34
Feed grains (mt.)	180	394	25,162	70,230	26	53	3,912	9,541
Other	---	---	82,380	91,190	---	---	7,895	8,207
Fruits, nuts, and preparations	---	---	528,596	531,058	---	---	59,316	56,671
Bananas (lb.)	4,025,822	3,710,845	179,853	182,230	363,724	338,722	15,556	17,855
Vegetables and preparations	---	---	367,966	346,525	---	---	45,080	38,333
Sugar and preparations, including honey	---	---	1,217,889	2,484,692	---	---	171,987	164,639
Sugar, cane or beet (ston)	5,010	4,072	1,061,536	2,293,850	512	226	154,826	145,600
Coffee, tea, cocoa, spices, etc. (lb.)	3,809,981	2,885,351	2,200,036	1,775,081	377,511	267,188	235,419	152,404
Coffee, green (lb.)	2,704,687	1,954,572	1,567,435	1,104,343	247,064	180,559	148,760	95,664
Cocoa beans (lb.)	457,263	359,728	253,060	258,104	62,622	39,058	42,100	24,647
Feeds and fodders	---	---	49,526	43,078	---	---	4,135	3,221
Protein meal (ston)	23	6	2,183	723	1	0	149	12
Beverages, ex. distilled alcoholic bev. (gal.)	83,034	88,898	307,847	297,315	8,154	7,390	27,746	25,496
Tobacco, unmanufactured (lb.)	267,110	302,471	168,667	207,108	21,353	28,600	14,001	19,029
Hides, skins, and furskins	---	---	137,786	128,098	---	---	14,166	11,583
Oilseeds	---	---	64,239	33,127	---	---	4,673	3,010
Soybeans (lb.)	56	90	14	16	28	55	5	7
Wool, unmanufactured (gib.)	45,240	27,690	54,767	28,303	4,555	2,722	5,819	2,184
Cotton, unmanufactured (rble)	79	58	17,249	12,362	6	8	1,933	1,438
Fats, oils and greases (lb.)	21,955	25,756	4,333	7,365	1,600	2,686	321	840
Vegetable oils and waxes (lb.)	1,188,791	1,570,759	309,660	570,045	117,005	178,039	42,567	49,943
Rubber and allied gums (lb.)	1,392,623	1,326,617	442,430	369,613	147,375	74,255	59,027	18,602
Other	---	---	372,766	475,114	---	---	37,504	34,131
Total	---	---	8,706,938	8,750,995	---	---	890,068	688,391

Export quantities	Fiscal year		July-May 1973/74	July-May 1974/75	May 1974	May 1975
	1972/73	1973/74				
	1,000 metric tons					
Animal products:						
Fats, oils, and greases	1,152	1,183	1,099	1,125	141	77
Meats and meat products	245	230	212	257	18	28
Poultry meats, fresh or frozen	68	81	75	71	5	8
Grains:						
Wheat and products	32,397	31,267	29,597	26,071	1,612	1,919
Feed grains and products	35,805	44,284	40,536	32,365	3,815	2,109
Rice	1,941	1,584	1,443	2,041	106	198
Oilseeds and products:						
Soybeans	13,754	14,125	13,064	10,629	1,185	683
Protein meal	4,802	4,983	4,442	3,967	402	210
Vegetable oils and waxes	1,058	1,050	902	1,107	109	91
Other:						
Fruits and preparations ¹	1,217	1,367	1,243	1,345	138	156
Vegetables and preparations ²	1,061	1,021	897	1,066	89	126
Tobacco	268	313	283	275	27	20
Cotton	1,028	1,241	1,133	744	122	79
Feeds and fodders ³	1,397	1,415	1,261	1,258	112	120
Total	96,193	104,144	96,187	82,321	7,881	5,824
	\$ mil.					
Animal products:						
Fats, oils, and greases	237	506	463	456	72	29
Meats and meat products	307	317	296	309	21	34
Poultry meats, fresh or frozen	49	82	77	65	5	7
Grains:						
Wheat and products	2,387	4,739	4,467	4,646	301	334
Feed grains and products	2,346	4,696	4,263	4,529	438	281
Rice	437	752	684	907	52	82
Oilseeds and products:						
Soybeans	2,287	3,273	3,032	2,867	275	156
Protein meal	721	1,135	1,038	682	77	37
Vegetable oils and waxes	317	564	466	878	65	66
Other:						
Fruits and preparations ¹	457	589	539	579	48	60
Vegetables and preparations ¹	296	407	372	507	35	46
Tobacco	640	814	736	862	72	66
Cotton	748	1,294	1,169	922	141	86
Feeds and fodders ³	217	280	169	161	15	15
Other agricultural products	1,456	1,875	1,817	1,822	180	197
Total	12,902	21,323	19,588	20,192	1,797	1,496

¹ Includes fresh fruits, canned fruits, and dried fruits. ² Includes fresh vegetables, canned vegetables, and pulses. ³ Includes prepared animal feeds, corn byproducts, and alfalfa meal and cubes.

U.S. agricultural exports by regions ¹	Fiscal years		July-May		May		Change		
	1972/73	1973/74	1973/74	1974/75	1974	1975	fiscal year	July-May ²	May 1975
	\$ Mil.						Percent		
Western Europe	4,407	6,754	6,234	6,576	561	420	+53	+5	-25
Enlarged European Community	3,590	5,321	4,898	5,054	434	341	+48	+3	-21
Other Western Europe	817	1,433	1,336	1,522	127	78	+75	+14	-39
Eastern Europe and USSR ³	1,350	1,195	1,101	929	69	69	-11	-16	---
USSR	900	509	472	366	25	39	-43	-22	+58
Eastern Europe	450	686	629	563	44	30	+52	-11	-32
Asia	4,552	7,911	7,285	7,682	592	568	+74	+5	-4
West Asia	332	786	703	1,488	44	100	+137	-112	+127
South Asia	377	663	585	1,102	37	123	+76	+89	+232
Southeast Asia, excluding Japan and PRC	1,387	2,254	2,070	1,783	180	127	+63	-15	-29
Japan	2,258	3,356	3,140	3,003	295	209	+49	-4	-29
People's Republic of China	200	852	788	306	36	9	+326	-61	-74
Latin America	1,089	2,407	2,190	2,231	252	164	+121	+2	-35
Canada, excluding transshipments	824	1,195	1,082	1,194	109	119	+29	+10	+9
Canadian transshipments	272	751	687	419	103	38	+176	-39	-64
Africa	349	980	891	1,040	98	110	+181	+17	+12
North Africa	179	583	539	692	57	83	+226	+28	+46
Other Africa	170	397	352	348	42	27	+134	-1	-36
Oceania	58	128	119	119	12	9	+120	---	-25
Total ⁴	12,901	21,320	19,588	20,192	1,797	1,496	+65	+3	-17

¹Not adjusted for transshipments. ²Value change from 1973/74 to 1974/75 computed from unrounded data. ³Includes Yugoslavia. ⁴Totals may not add due to rounding.

Gross National Product and Related Data	1974	1973				1974				1975	
		I	II	III	IV	I	II	III	IV	I	II
		Sbil. (Quarterly data seasonally adjusted at annual rates)									
Gross national product ¹	1,397.4	1,248.9	1,277.9	1,308.9	1,344.0	1,358.8	1,383.8	1,416.3	1,430.9	1,416.6	1,433.4
Personal consumption expenditures	876.7	781.7	799.0	816.3	823.9	840.6	869.1	901.3	895.8	913.2	938.1
Durable goods	127.5	132.4	132.1	132.4	124.3	123.9	129.5	136.1	120.7	124.9	130.0
Nondurable goods	380.2	323.3	332.7	343.8	352.1	364.4	375.8	389.0	391.7	398.8	408.5
Gross private domestic investment	209.4	199.0	205.1	209.0	224.5	210.5	211.8	205.8	209.4	163.1	147.3
Fixed investment	195.2	189.0	194.4	197.1	195.5	193.6	198.3	197.1	191.6	182.2	181.0
Nonresidential	149.2	130.5	135.6	139.0	141.9	145.2	149.4	150.9	151.2	146.9	144.6
Structures	52.0	44.6	46.2	47.9	49.3	51.3	52.2	51.0	53.7	52.8	50.2
Producers' durable equipment	97.1	85.9	89.4	91.1	92.6	93.9	97.2	99.9	97.5	94.2	94.4
Residential structures	46.0	58.5	58.7	58.1	53.6	48.4	48.8	46.2	40.4	35.3	36.4
Nonfarm	45.2	58.0	58.4	57.6	53.0	47.8	48.0	45.4	39.7	34.8	35.7
Change in business inventories	14.2	10.0	10.7	11.8	28.9	16.9	13.5	8.7	17.8	-19.2	-33.7
Nonfarm	11.9	6.5	7.7	7.4	24.0	13.1	10.4	6.6	17.5	-17.8	-33.4
Net exports of goods and services	2.1	-8	.5	6.7	9.3	11.3	-1.5	-3.1	1.9	8.8	9.2
Exports	140.2	88.8	95.4	103.7	113.6	131.2	138.5	143.6	147.5	142.2	130.9
Imports	138.1	89.5	94.9	96.9	104.3	119.9	140.0	146.7	145.7	133.4	121.7
Government purchases of goods and services	309.2	269.0	273.3	276.9	286.4	296.3	304.4	312.3	323.8	331.6	338.8
Federal	116.9	106.4	106.2	105.3	108.4	111.5	114.3	117.2	124.5	126.5	128.6
State and local	192.3	162.6	167.1	171.6	177.9	184.8	190.1	195.1	199.3	205.1	210.2
1958 \$bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	821.2	832.8	837.4	840.8	845.7	830.5	827.1	823.1	804.0	780.0	779.4
Personal consumption expenditures	539.5	552.9	553.7	555.4	546.3	539.7	542.7	547.2	528.2	531.5	539.6
Durable goods	103.1	117.2	115.7	114.3	107.2	105.2	106.8	107.8	92.8	95.2	97.5
Nondurable goods	223.7	228.7	228.3	230.0	227.4	223.9	223.6	225.8	221.4	222.5	225.9
Gross private domestic investment	126.7	134.4	136.3	135.8	145.8	133.3	130.3	122.7	120.5	89.3	79.6
Fixed investment	118.0	127.1	128.4	127.7	125.8	122.7	122.2	117.7	109.6	101.0	98.4
Nonresidential	94.0	92.2	94.3	95.1	96.0	96.3	96.5	94.1	89.2	83.8	81.0
Structures	26.2	24.7	25.1	25.6	26.0	26.7	26.6	25.4	26.1	25.2	23.7
Producers' durable equipment	67.8	67.4	69.2	69.5	70.0	69.7	69.9	68.7	63.1	58.6	57.2
Residential structures	24.0	35.0	34.1	32.6	29.8	26.4	25.7	23.6	20.4	17.3	17.4
Nonfarm	23.6	34.7	33.9	32.4	29.5	26.0	25.3	23.1	20.1	17.0	17.1
Change in business inventories	8.7	7.3	7.8	8.0	20.0	10.6	8.2	5.0	10.9	-11.7	-18.8
Nonfarm	7.4	5.4	6.3	6.2	17.9	8.7	6.4	3.9	10.7	-10.9	-18.6
Net exports of goods and services	9.0	1.4	3.5	5.8	7.9	11.5	8.2	7.3	9.1	11.6	10.9
Exports	71.9	64.8	65.9	66.9	68.9	73.3	73.4	70.9	69.9	66.5	61.7
Imports	62.9	63.4	62.4	61.1	61.0	61.8	65.1	63.6	60.9	54.9	50.7
Government purchases of goods and services	146.0	144.1	143.9	143.7	145.7	146.0	145.8	145.9	146.3	147.7	149.3
Federal	56.5	58.9	57.7	56.2	56.4	56.3	56.3	56.5	57.0	57.4	58.5
State and local	89.5	85.2	86.2	87.5	89.3	89.7	89.5	89.4	89.3	90.2	90.9
Implicit price deflator for GNP (1958=100)	170.18	149.95	152.61	155.67	158.93	163.61	167.31	172.07	177.97	181.62	183.90
Disposable income (\$bil.)	979.7	869.5	892.1	913.9	939.4	950.6	966.5	993.1	1,008.8	1,015.5	1,078.8
Disposable income (1958 \$bil.)	602.8	615.1	618.2	621.8	622.9	610.3	603.5	602.9	594.8	591.0	620.5
Selected monthly indicators	1974		1975								
	Annual	June	Jan.	Feb.	Mar.	Apr.	May	June			
Seasonally adjusted except as noted											
Industrial production, total ¹ (1967=100)	124.8	125.8	113.7	111.2	110.0	109.9	109.6	110.0p			
Manufacturing (1967=100)	124.4	125.6	111.8	109.2	107.7	107.7	107.4	107.8p			
Durable (1967=100)	120.7	122.1	108.2	104.8	103.5	103.1	102.0	101.7p			
Nondurable (1967=100)	129.7	130.7	117.2	115.6	113.7	114.3	115.3	116.6p			
Employment ² (Mil. persons)	85.9	86.1	84.6	84.0	83.8	84.1	84.4	84.4			
Unemployment rate ³	5.6	5.2	8.2	8.2	8.7	8.9	9.2	8.6			
Personal income ¹ (\$bil. annual rate)	1,150.5	1,143.5	1,191.1	1,193.4	1,195.7	1,203.1	1,214.3	1,244.9p			
Consumer price index ⁴ (1967=100)	147.7	146.9	156.1	157.2	157.8	158.6	159.3				
Wholesale price index ⁴ (1967=100)	160.1	155.7	171.8	171.3	170.4	172.1	173.2	173.7			
Money stock (daily average) ² (\$bil.)	⁵ 284.4	280.0	282.2	283.5	286.1	287.1	289.7				
Time and savings deposits (daily average) ² (\$bil.)	⁵ 419.4	398.4	426.0	428.9	430.0	431.7	433.1				
Three-month Treasury bill rate ² (%)	7.886	8.145	6.493	5.583	5.544	5.694	5.315	5.193			
Aaa corporate bond yield (Moody's) ⁴ (%)	8.57	8.47	8.83	8.62	8.67	8.95	8.90	8.77			
Interest rate on new home mortgages ⁴ (%)	8.92	8.85	9.33	9.12	9.06	8.96	8.90p				

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Department of Labor, Bureau of Labor Statistics. ⁴ Not seasonally adjusted. ⁵ December of the year listed. ⁶ Moody's Investor Service. ⁷ Federal Home Loan Bank Board. p. Preliminary.

REPORTS TO NOTE

USDA's Economic Research Service issues a variety of periodic reports that analyze the economic situation of U.S. agriculture. Single copies of these reports are available free on request. Each report also has a mailing list to which your name may be added. Send requests to: Publications Unit, ERS Information Division, U.S. Department of Agriculture, Washington, D.C. 20250.

Agricultural Supply and Demand Estimates, irregular. These reports, issued on the day after the publication of major crop production, grain stocks, or planting intentions reports by the Statistical Reporting Service, present statistics, by crop, covering the balance of supply (production, stocks, imports) and demand (domestic use, exports, carryover) for the current marketing season. Rough indications of the supply-demand balance for one season ahead also may be included.

Balance Sheet of the Farming Sector, annual, issued in October. A balance sheet as of January 1 which views the farm sector of agriculture as one large enterprise, and brings together individual series of farm assets and claims to those assets. It also includes the value of farm assets owned, and farm debt owed, by landlords.

Farm Mortgage Debt, annual. This shows total farm-mortgage debt and amounts held by principal lender groups, by State.

Agricultural Finance Statistics, annual. It provides a reference book of data pertaining to, or related to, the financing of U.S. agriculture.

Farm Real Estate Taxes, Recent Trends and Developments, annual. Reports for States and regions the taxes levied on farm real estate, taxes levied per acre, index numbers of amount of tax per acre, the amount of tax per \$100 of full land value, taxes levied on farm real estate as a percentage of net and gross farm income, and taxes levied on farm real estate as a percentage of total personal income of farm population.

Changes in Farm Production and Efficiency, annual. This report presents major statistical series on farm production, production inputs and efficiency. It provides the latest information on production trends, changes in farm inputs and practices, uses of cropland, labor productivity, and farm mechanization. Five supplements give data by farm production region.

Livestock Feed Relationships - National and Geographic Areas, annual. Data in this report reflect aggregate changes in feed utilization by kinds of livestock due to feeding practices, changes in livestock and poultry numbers, and supply situations for major types of feedstuffs. An index relating high-protein feed consumption is measured in high-protein animal units. Surplus and deficit feed grain balances by geographic areas are also shown for the 3 most recent feeding years.

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